James F. Worley, September 25, 1940.
Marion S. Lombard, September 21, 1940.
Carl Michel, September 22, 1940.
Robert L. Allen, September 22, 1940.

The following-named surgeons to be senior surgeons in the United States Public Health Service, to rank as such from the dates set opposite their names:

Floyd C. Turner, September 30, 1940.
Calvin C. Applewhite, October 1, 1940.
Frank V. Meriwether, October 1, 1940.
Roy E. Bodet, October 1, 1940.
Walter G. Nelson, October 1, 1940.
Albert E. Russell, October 22, 1940.
Ralph D. Lillie, October 25, 1940.

The following-named assistant surgeons to be passed assistant surgeans in the United States Public Health Service, to rank as such from the dates set opposite their names:

Robert C. Dunn, October 1, 1940.
Russell K. Taubert, October 8, 1940.
Randall B. Haas, November 27, 1940.
Robert D. Duncan, December 1, 1940.

The following-named passed assistant surgeons to be surgeons in the United States Public Health Service, to rank as such from the dates set opposite their names:

Eddie M. Gordon, November 2, 1940.
Ralph Gregg, December 28, 1940.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 30 (legislative day of September 18), 1940

UNITED STATES ATTORNEY

Gerald A. Gleeson to be United States attorney, eastern district of Pennsylvania.

COAST GUARD OF THE UNITED STATES

Albert M. Martinson to be a commander in the Coast Guard, to rank as such from September 1, 1940.

APPOINTMENT IN THE NATIONAL GUARD OF THE UNITED STATES

GENERAL OFFICER

Louis Albert Ledbetter to be a brigadier general in the National Guard.

POSTMASTERS

CALIFORNIA

Sidney L. Wingert, Bloomington.
Jackson C. Roether, El Cajon.
Alexander Main, Lompoc.
Allie C. Cook, Montebello.
William L. Carter, Needles.
Charles W. Ray, Saugus.
Grace P. Johnson, Windsor.

CONNECTICUT

Mary D. Lawlor, Middlebury.
Florence F. Slattery, Pomfret.

MASSACHUSETTS

Charles F. Gibson, Canton.
Fred E. Hackett, Templeton.
C. Adelbert Bell, Tyngsboro.

MINNESOTA

John W. Hubin, Buffalo Lake.
John M. Gunter, Clara City.
John L. Townley, Jr., Fergus Falls.
Zelphia Taylor, Hill City.
John R. Kavanagh, Murdock.
Judith M. Nilson, Upsala.

OKLAHOMA

Bentley R. Jones, Stilwell.

TEXAS

Ernest A. White, Belton.
James R. Pipes, Crystal City.
W. Henry Taylor, Florence.
Fred W. Scott, Tatum.

HOUSE OF REPRESENTATIVES

MONDAY, SEPTEMBER 30, 1940

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou God of light and of love, during this day we would yield ourselves to the guiding power of Thy spirit and the warming assurance of Thy presence. In all our duties, grant us Thy help; in our perplexities, Thy counsel; in our burdens and trials, Thy sustaining grace.

We thank Thee for the heritage which we have received from those whose quest for truth has illumined the path in which we walk, whose search for beauty has enriched the world in which we live, whose devotion to goodness has ennobled the soul of humanity, and whose obedience to Thy will has made life forever significant.

Enlist us in a crusade to free the world from the curse of hatred and the tyranny of war. Widen the horizon of our sympathies and understanding. Enlighten our minds and hearts with a vision of that blessed day when righteousness and peace shall be gloriously triumphant.

In the name of the Christ, we pray. Amen.

The Journal of the proceedings of Thursday, September 26, 1940, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 428. An act for the relief of Edward Workman;
H. R. 532. An act for the relief of W. J. Hance;
H. R. 554. An act for the relief of Meta De Rene McLoskey;
H. R. 775. An act for the relief of W. M. Hurley and Joe Whitson;
H. R. 1174. An act for the relief of Euel Caldwell;
H. R. 1183. An act for the relief of Ben L. Kessinger and M. Carlisle Minor;
H. R. 1857. An act for the relief of Nell Mullen;
H. R. 1912. An act for the relief of the estate of Alfred Batrack;
H. R. 2036. An act for the relief of Umberto Tedeschi;
H. R. 2214. An act for the relief of M. Grace Murphy, administratrix of the estate of John H. Murphy, deceased;
H. R. 2286. An act for the relief of Wasyl Kulmatycki;
H. R. 2684. An act for the relief of Emma Knutson;
H. R. 4441. An act for the relief of Alex Silberstein, Magdalene Silbertstein, Eleanor Goldfarb, Lillian Goldfarb, Jackie Goldfarb, and Florence Karp, minors;
H. R. 4571. An act for the relief of LaVera Hampton;
H. R. 4954. An act for the relief of Rosa Paone;
H. R. 5264. An act for the relief of Maj. Clarence H. Greene, United States Army, retired;
H. R. 5365. An act for the relief of John J. Murphy;
H. R. 5400. An act for the relief of those rendering medical and hospital services to Evyline Vaughn;
H. R. 5417. An act for the relief of Isaac Surmany;
H. R. 5771. An act for the relief of Louis St. Jacques;
H. R. 5776. An act for the relief of Albert DePonti;
H. R. 5863. An act for the relief of the estate of James A. Rivera;
H. R. 6060. An act for the relief of John P. Hart;
H. R. 6108. An act for the relief of Regina Howell;
H. R. 6210. An act for the relief of George R. Stringer;
H. R. 6230. An act for the relief of James Murphy, Sr.;
H. R. 6409. An act to record the lawful admission to the United States for permanent residence of Motiejus Buzas and Bernice Buzas, his wife;
H. R. 6456. An act for the relief of John Toepel, Robert Scott, Widmer Smith, and Louis Knowlton;
H. R. 6457. An act for the relief of the Wallie Motor Co.;
H. R. 6480. An act to amend the Agricultural Adjustment Act of 1933;

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H. R. 6605. An act for the relief of Louis A. Charland;
H. R. 6639. An act for the relief of George F. Kermath;
H. R. 6782. An act for the relief of James Robert Harman;
H. R. 6842. An act for the relief of Rufus E. Farmer;
H. R. 6946. An act for the relief of Salvatore Taras;
H. R. 7179. An act authorizing the naturalization of Louis D. Friedman;
H. R. 7425. An act for the relief of the parents of Charldean Finch;
H. R. 7515. An act for the relief of Joseph B. Rupinski and Maria Zofia Rupinski;
H. R. 7681. An act for the relief of Emelie Witzenbacher;
H. R. 7747. An act for the relief of Estelle M. Corbett;
H. R. 8124. An act to provide funds for cooperation with public-school districts (organized and unorganized) in Mahnomen, Itasca, Pine, St. Louis, Clearwater, Koochiching, and Becker Counties, Minn., in the construction, improvement, and extension of school facilities to be available to both Indian and white children;
H. R. 8295. An act for the relief of Leo Neumann and his wife, Alice Neumann;
H. R. 8474. An act to further amend the Alaska game law;
H. R. 8743. An act for the relief of Luther Haden;
H. R. 8830. An act to amend the records at the port of New York to show the admission of Steve Zegura, Jr., and B. Dragomir Zegura as aliens admitted for permanent residence;
H. R. 8906. An act to record the lawful admission to the United States for permanent residence to Nicholas G. Karas;
H. R. 9024. An act relating to the status of retired officers of the Army, Navy, Marine Corps, and Coast Guard of the United States, and to amend section 113 of the Criminal Code;
H. R. 9123. An act to approve Act No. 65 of the Session Laws of 1939 of the Territory of Hawaii, entitled "An act to amend Act 29 of the Session Laws of Hawaii, 1929, granting to J. K. Lota and associates a franchise for electric light, current, and power in Hanalei, Kauai, by including Moloaa within such franchise";
H. R. 9124. An act to approve Act No. 214 of the Session Laws of 1939 of the Territory of Hawaii, entitled "An act to amend Act 105 of the Session Laws of Hawaii, 1921, granting franchise for the manufacture, maintenance, distribution, and supply of electric current for light and power within Kapaa and Waipouli in the district of Kawaihau on the island and county of Kauai, by including within said franchise the entire district of Kawaihau, island of Kauai";
H. R. 9264. An act to provide for uniformity of allowances for the transportation of household goods of civilian officers and employees when transferred from one official station to another for permanent duty;
H. R. 9636. An act authorizing the conveyance to the Commonwealth of Virginia of a portion of the naval reservation known as Naval Proving Ground, Dahlgren, Va.;
H. R. 9688. An act to provide for the advancement on the retired list of any officer of the Navy or Marine Corps retired pursuant to the provisions of section 13 or 15 (e) of the act of June 23, 1938;
H. R. 9898. An act to further amend section 13a of the National Defense Act so as to authorize officers detailed for training and duty as aircraft observers to be so rated, and for other purposes;
H. R. 10036. An act for the relief of John A. Kames;
H. R. 10080. An act to amend section 3493 of the Internal Revenue Code, formerly section 404 of the Sugar Act of 1937; and
H. R. 10191. An act for the relief of Anthony Borsellino.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 3907. An act for the relief of William A. Reithel;
H. R. 4097. An act to authorize the use of certain facilities of national parks and national monuments for school purposes;
H. R. 6083. An act for the relief of Morris Burstein, Jennie Burstein, and Adolph Burstein;
H. R. 7283. An act for the relief of Frank Hall;
H. R. 8621. An act to amend the Civil Service Retirement Act and other retirement acts;
H. R. 8868. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Bolinross Chemical Co., Inc.; and
H. R. 9736. An act to amend section 355 of the Revised Statutes, as amended, to authorize the Attorney General to approve the title to low-value lands and interests in lands acquired by or on behalf of the United States subject to infirmities, and for other purposes.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 1432. An act authorizing the Snake or Piute Indians of the former Malheur Indian Reservation of Oregon to sue in the Court of Claims, and for other purposes;
S. 2148. An act for the admission of Ruth Molimau Kenison to American citizenship;
S. 2576. An act to authorize the expenditure of the receipts from migratory-bird and wildlife refuges or other areas or projects operated or controlled by the Fish and Wildlife Service, United States Department of the Interior, for the protection of such refuges, areas, or projects, and the wildlife thereon, and for other purposes;
S. 2705. An act creating the Great Falls Bridge Commission and authorizing the construction, maintenance, and operation of a bridge across the Potomac River near the Great Falls of the Potomac;
S. 3087. An act to record the lawful admission to the United States for permanent residence of Chaim Wakerman, known as Hyman Wakerman;
S. 3185. An act for the relief of Noland Blass;
S. 3204. An act for the relief of Louise Hsien Djen Lee Lum;
S. 3442. An act to authorize the cancelation of deportation proceedings in the case of Minas Kirillidis;
S. 3653. An act for the relief of Algy Fred Giles;
S. 3657. An act authorizing the appointment and retirement of John Tomlingson as second lieutenant, United States Army;
S. 3729. An act for the relief of Hjalmar M. Seby;
S. 3765. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River at Astoria, Clatsop County, Oreg., and for other purposes;
S. 3778. An act to amend the act entitled "An act to provide better facilities for the enforcement of the customs and immigration laws," approved June 26, 1930;
S. 3864. An act to apply laws covering steam vessels to certain passenger-carrying vessels;
S. 3869. An act to authorize the participation of States in certain revenues from national parks, national monuments, and other areas under the administrative jurisdiction of the National Park Service, and for other purposes;
S. 3991. An act to authorize the disposal of tools and equipment on the New England hurricane damage project;
S. 4073. An act for the relief of Fred McGarrahan;
S. 4116. An act amending the act of June 25, 1938, extending the classified civil service to include postmasters of the first, second, and third classes, and for other purposes;
S. 4120. An act authorizing the Secretary of War to accept a gift of lands from the city of Tucson, Ariz.;
S. 4196. An act establishing overtime rates for compensation for employees of the field services of the Navy Department and the Coast Guard, and for other purposes;
S. 4224. An act to authorize the discontinuance of professional examinations for promotion in the Regular Army of officers of the Medical, Dental, and Veterinary Corps during time of war or emergency declared by Congress;
S. 4246. An act to provide for the appointment of certain persons as commissioned or warrant officers in the Naval Reserve, and for other purposes.
S. 4250. An act conferring jurisdiction upon the United States District Court for the Western District of North Carolina to hear, determine, and render judgments upon the claims

against the United States of I. M. Cook, J. J. Allen, and the Radiator Speciality Co.;

S. 4258. An act to remove the restriction placed upon the use of certain lands acquired in connection with the expansion of Mitchel Field, N. Y.;

S. 4275. An act to increase the authorized numbers of warrant officers and enlisted men in the Army Mine Planter Service, and for other purposes;

S. 4353. An act to restrict or regulate the delivery of checks drawn against funds of the United States, or any agency or instrumentality thereof, to addresses outside the United States, its Territories, and possessions, and for other purposes;

S. J. Res. 212. Joint resolution making applicable to certain coal deliveries the prices established by the National Bituminous Coal Commission; and

S. J. Res. 253. Joint resolution providing for the celebration in 1945 of the one-hundredth anniversary of the founding of the United States Naval Academy, Annapolis, Md.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 960. An act extending the classified civil service of the United States.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MEAD, Mr. BULOW, Mr. GEORGE O. WHITE, and Mr. FRAZIER to be the conferees on the part of the Senate.

AMENDMENT OF NATIONAL STOLEN PROPERTY ACT

Mr. SABATH (on behalf of Mr. LEWIS of Colorado) from the Committee on Rules, submitted the following privileged resolution (H. Res. 617), which was referred to the House Calendar and ordered to be printed.

House Resolution 617

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3936), an act to extend the provisions of the act of May 22, 1934, known as the National Stolen Property Act, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute committee amendment recommended by the Committee on the Judiciary now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a short editorial.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include certain brief excerpts pertaining to what I am discussing.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GUYER of Kansas. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include some choice selections from Thomas Jefferson.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. ARENDS and Mr. CLASON asked and were given permission to revise and extend their own remarks in the RECORD.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I also ask unanimous consent that the gentleman from New York [Mr. COLE] may have permission to revise and extend his own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JONKMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a few short quotations by distinguished Americans and also to extend my own remarks in the RECORD and include a letter from a constituent.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a brief extract from an address to newly naturalized American citizens.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

CONSENT CALENDAR

The SPEAKER. The Clerk will call the first bill on the Consent Calendar.

PASSAMAQUODDY BAY TIDAL POWER

The Clerk called the first business on the Consent Calendar, Senate Joint Resolution 57, authorizing the Secretary of War to cause a completion of surveys, test borings, and foundation investigations to be made to determine the advisability and cost of putting in a small experimental plant for development of tidal power in the waters in and about Passamaquoddy Bay, the cost thereof to be paid from appropriations heretofore or hereafter made for such examinations.

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that the joint resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

BRIDGE ACROSS MISSOURI RIVER IN THE CITY OF OMAHA, NEBR.

The Clerk called the next bill, H. R. 7069, authorizing Douglas County, Nebr., to construct, maintain, and operate a toll bridge across the Missouri River at or near Florence Station in the city of Omaha, Nebr.

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMENDMENT OF CROP-LOAN LAW

The Clerk called the next bill, H. R. 7878, to amend the crop-loan law relating to the lien imposed thereunder, and for other purposes.

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMPENSATION OF SPECIAL COUNSEL FOR THE UNITED STATES

The Clerk called the next bill, H. R. 4366, to authorize the payment of additional compensation to special assistants to the Attorney General in the case of United States against Doheny executors.

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CHANGING TIME OF APPOINTMENT PRESIDENTIAL ELECTORS AND THE ELECTION OF SENATORS AND REPRESENTATIVES IN CONGRESS

The Clerk called the next bill, H. R. 8700, to change the time of the appointment of Presidential electors, and the election of Senators and Representatives in Congress.

Mr. CHURCH. Mr. Speaker, in view of the importance of this measure I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

SPEECHES AND WRITINGS OF EDMUND BURKE

The Clerk called the next business, House Joint Resolution 307, to provide for the printing of the speeches and writings of Edmund Burke as a House document.

The SPEAKER. Is there objection?

Mr. CHURCH. Mr. Speaker, in view of the previous objection of my colleague the gentleman from New Jersey [Mr. KEAN] I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

BIOGRAPHICAL DIRECTORY OF THE AMERICAN CONGRESS

The Clerk called the next business, House Concurrent Resolution 54, authorizing the printing of a revised edition of the Biographical Directory of the American Congress.

The SPEAKER. Is there objection?

Mr. CHURCH. Mr. Speaker, for the same reason, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DESIGNATING THE PERSON WHO SHALL ACT AS PRESIDENT

The Clerk called the next bill, H. R. 9462, designating the person who shall act as President if a President shall not have been chosen before the time fixed for the beginning of his term, or when neither a President-elect nor a Vice-President-elect shall have qualified.

The SPEAKER. Is there objection?

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

OBLIGATIONS TO CERTAIN ENROLLED INDIANS UNDER TRIBAL AGREEMENT

The Clerk called the next bill, H. R. 5944, to carry out certain obligations to certain enrolled Indians under tribal agreement.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

JURISDICTION OVER LANDS EMBRACED WITHIN THE OLYMPIC NATIONAL PARK

The Clerk called the next bill, H. R. 6559, to accept the cession by the State of Washington of exclusive jurisdiction over the lands embraced within the Olympic National Park, and for other purposes.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

FRED B. WOODARD

The Clerk called the next bill, H. R. 9432, to limit the operation of sections 109 and 113 of the Criminal Code, and section 190 of the Revised Statutes of the United States with respect to certain counsel.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

RELIEF OF CERTAIN FORMER DISBURSING OFFICERS FOR CIVIL WORKS ADMINISTRATION AND FEDERAL EMERGENCY RELIEF ADMINISTRATION

The Clerk called the next bill, H. R. 9514, for the relief of certain former disbursing officers for the Civil Works Administration and the Federal Emergency Relief Administration.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, I object.

PLACES OF CONFINEMENT OF PERSONS CONVICTED OF A FEDERAL OFFENSE

The Clerk called the next bill, H. R. 9954, to amend section 7 of the act of May 14, 1930 (46 Stat. 326; U. S. C., title 18, sec. 753 f), relating to places of confinement and transfers of persons convicted of an offense against the United States.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

MONUMENT TO GEN. ANDREW PICKENS

The Clerk called the next business, House Joint Resolution 369, to provide for the erection of a shrine or monument to the memory of Gen. Andrew Pickens.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LEASE, DEVELOPMENT, AND MAINTENANCE OF KELLEY HOMESTEAD NEAR ELK RIVER, MINN.

The Clerk called the next business, House Joint Resolution 376, authorizing the Secretary of Agriculture to accept from the National Grange a lease of the Kelley homestead near Elk River, Minn., and providing for its development and maintenance.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

USE AND DISPOSITION OF THE BEQUEST OF THE LATE JUSTICE OLIVER WENDELL HOLMES

The Clerk called the next business, House Joint Resolution 550, to provide for the use and disposition of the bequest of the late Justice Oliver Wendell Holmes to the United States, and for other purposes.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection?

Mr. McCORMACK. Reserving the right to object, Mr. Speaker, may I ask my distinguished friend from Michigan the reason for putting this bill over?

Mr. WOLCOTT. I may say to the distinguished majority leader that I explained my objections in full when this calendar was called 3 or 4 weeks ago. I should dislike to encumber the RECORD again with all the objections I had to the bill.

Mr. McCORMACK. I was present at the time, and I am aware of what the gentleman stated then. Are the same objections expressed then the reason for the gentleman's action today?

Mr. WOLCOTT. Yes; they have not changed any. The bill has not been changed any.

Mr. McCORMACK. May I call the gentleman's attention to the fact that the report of the special committee, of which I was a member, was unanimous?

On the special commission were the distinguished gentleman from Massachusetts [Mr. WIGGLESWORTH] and the distinguished gentleman from Illinois [Mr. KELLER]. On the part of the Senate there were the junior Senator from

Massachusetts [Mr. LODGE], also the senior Senator from Massachusetts [Mr. WALSH]. I was a member of the commission, and there were three members of the Supreme Court on it also. The report of the special committee is unanimous. I hope the gentleman from Michigan will not press his unanimous-consent request but will permit the bill to pass.

Mr. WOLCOTT. Before the gentleman asks me to do this, I wish he would review the reasons I gave for it at that time.

Mr. McCORMACK. If the gentleman's mind is made up—and I thoroughly respect the gentleman—I would much prefer that the gentleman would object to the passage of the bill without prolonging the discussion further.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. McCORMACK. I object. I prefer to see consideration of the bill objected to rather than have it go over again.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I wish to make a brief statement.

Mr. Speaker, I know of no man whose memory I revere more than that of the late Justice Oliver Wendell Holmes. I had a deep admiration for his father from the time I could sit up and read the English language. I have equally respected Justice Holmes. In my opinion, if there is any man in this country who should be honored it is the late Justice Oliver Wendell Holmes. He was a great jurist, he was a great man, he was my mentor, he was my champion, in fact he was a little god whom I worshiped for several years when I was studying law. So I hope the gentleman will appreciate that when I object to the consideration of this bill it is with the hope that the Committee on the Library and the special commission the gentleman mentions will get together on a bill which the House can pass with full realization that it would meet with the ideals and principles of the late Justice Holmes himself were he alive to supervise this proposal. That is the reason I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT, Mr. CHURCH, and Mr. KEAN objected.

ARLINGTON FARM, VA.

The Clerk called the next bill, S. 4107, to transfer the jurisdiction of the Arlington Farm, Va., to the jurisdictions of the War Department and the Department of the Interior, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

UNITED STATES MARITIME COMMISSION VESSELS

The Clerk called the next bill, H. R. 10315, to authorize the United States Maritime Commission to furnish suitable vessels for the benefit of certain State nautical schools, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

MOUNT VERNON MEMORIAL HIGHWAY

The Clerk called the next bill, H. R. 10221, to provide for the acquisition of additional land along the Mount Vernon Memorial Highway in exchange for certain dredging privileges, and for other purposes.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

Mr. LANHAM. Mr. Speaker, will the gentleman withhold his objection for the moment?

Mr. SCHAFER of Wisconsin. Yes; I will withhold my objection to permit the gentleman to make a statement.

Mr. LANHAM. The gentleman served on the committee from which this bill was reported. I have no personal interest, of course, in the bill, but I do have an interest in it as a citizen interested in the preservation of the Washington Memorial Highway.

This bill will cost the Government not 1 penny, but the Government will get some very useful rights for its own purposes. I cannot see how there could possibly be any objection to the enactment of this measure, and I hope the gentleman, in view of the fact that we are now getting pretty well along in the session, will not interpose an objection to the consideration of this bill at this time.

Mr. SCHAFER of Wisconsin. Why is this corporation going to be so liberal as to give title to expensive property to the United States Government for nothing?

Mr. LANHAM. If the gentleman has read the report and the hearings, the gentleman will see that the Government will acquire title to quite a bit of land along the Washington Memorial Highway which it does not now own and which will obviate the probability of the establishment on this route of many unsightly things. It will acquire these rights and this title simply by giving temporary dredging privileges in a much smaller tract of land owned by the Government. These dredging operations, the Army engineers report, will enable seaplanes to take off from the proximity of our National airport and will also improve the navigation of the Potomac River.

Mr. SCHAFER of Wisconsin. But this bill does not provide that the Federal Government shall obtain this valuable property without giving something in return. The Federal Government is apparently going to give the owners of this land something of great value.

Mr. LANHAM. The Federal Government will acquire very much land and title to that land. It will give title to no land, but for a limited period of time it will grant dredging privileges in a very much smaller tract of land, and this dredging will result in an improvement of navigation of the river and also facilitate the operation of seaplanes near the National Airport.

Mr. SCHAFER of Wisconsin. In view of the gentleman's statement I will support this bill with a sincere hope that this expensive and expansive airport which has thus far cost the taxpayers of the country more than $14,000,000 might be improved so that it can be an integral part of our national-defense system. Right now there is not one underground, hidden, or camouflaged runway or hangar, and any enemy bombing squadron could wipe out that Gravelly Point Airport which is adjacent to our Nation's Capital in a few moments.

In view of the fact they are going to do some dredging at this airport, if the pending bill is enacted, and in order that they might then have some facilities and place to install some underground, hidden, or camouflaged runways and hangars and really provide for national defense at this airport which is adjacent to the National Capital, I shall withdraw my objection to the consideration of the pending bill.

Mr. RICH. Mr. Speaker, reserving the right to object, the gentleman from Wisconsin stated that the Gravelly Point Airport is going to cost $14,000,000. I have been informed that the Gravelly Point Airport will cost over $25,000,000, but I have not been able to find anybody in the Congress who can give me an estimate on what the Gravelly Point Airport will cost. Can the gentleman tell us?

Mr. LANHAM. In the first place this bill has no connection with the Gravelly Point Airport further than that the dredging contemplated will make it possible for seaplanes to operate from near that port. I may say further that the legislation with reference to the Gravelly Point Airport did not emanate from our committee; consequently I cannot give the gentleman detailed information in that regard.

Mr. RICH. The gentleman is another Member of Congress who does not know anything about what the cost of the Gravelly Point Airport will be. I have been trying to find out what the cost of that operation will ultimately be. Probably the gentleman from Missouri, who looks as if he had the knowledge, might tell us what that airport will cost.

Mr. COCHRAN. The gentleman from Missouri will tell the gentleman that it is going to be the finest airport in the world. Furthermore, in building airports the gentleman from Missouri is in favor of building airports to take care of our needs 25 years from now as well as today.

Mr. RICH. So am I; but when we build airports we ought to do it with the idea in mind that we are going to do it in an economical, businesslike way. When we start digging out rivers, and indulging in building a very expensive airport, I do not think that is good business.

Mr. CHURCH. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to protect more adequately the Mount Vernon Memorial Highway, and to add further to its memorial character, the Secretary of the Interior is hereby authorized to carry out the following transactions with the Smoot Sand & Gravel Corporation:

(a) The Secretary of the Interior is authorized to accept on behalf of the United States of America a good and sufficient title in fee simple, free of all encumbrances, to that piece of land lying along the Mount Vernon Memorial Highway beginning approximately opposite highway station 242 and extending to station 247, as surveyed by the Public Roads Administration, and as shown on sheet 154 of the Alexandria, Va., assessment maps as block 1, lot 1, containing twenty-three and five-tenths acres, more or less, in consideration for the Secretary of the Interior and the Secretary of War permitting the Smoot Sand & Gravel Corporation, its successors and assigns, to remove the sand and gravel from the same number of acres situated in the Potomac River adjacent thereto as shown on plan No. 105.22–414 in the files of the National Capital Park and Planning Commission for a period of 20 years.

(b) The Secretary of the Interior is authorized to acquire certain lands in exchange for certain dredging and other rights on land already owned by the United States on the east side of the Mount Vernon Memorial Highway in Fairfax County, Va., extending from approximately station 426 to station 516+50, shown as areas "A," "B," "C," and "D" on plan No. 105.22–415 in the files of the National Capital Park and Planning Commission and more particularly set forth as follows:

(1) To accept on behalf of the United States of America a good and sufficient title in fee simple, free of all encumbrances, to that piece of land lying on the east side of the Mount Vernon Memorial Highway and extending from approximately opposite station 459 to station 516+50, approximately five thousand seven hundred and fifty feet in length and averaging approximately eight hundred feet in width, and containing one hundred and ten acres, more or less, and as further shown as area "A" on said plan.

(2) To accept on behalf of the United States of America a good and sufficient title in fee simple, free of all encumbrances, to area "D" lying between area "A" and the Potomac River, and containing one hundred and fifty acres, more or less; the Smoot Sand & Gravel Corporation reserving unto itself, its successors and assigns, the right to remove sand and gravel therefrom for a period of 30 years, and for the same period reserving such riparian rights as may exist in area "D."

(3) To permit the Smoot Sand & Gravel Corporation, its successors and assigns, to remove sand and gravel from that part of United States property lying east of area "B" and opposite station 426 to 459, to the extent of eighty-five acres, more or less, of the total one hundred and ten acres in area "C," as shown on said plan, for a period of 20 years, and for the same period granting such riparian rights as may exist in this area.

(4) To require that the scope of dredging operations necessary to remove the sand and gravel in areas "C" and "D" be so limited and conducted as not to undermine the adjacent shores of areas "A" and to provide that the Government shall have the right of ingress and egress from the Potomac River to the lands marked on the plan as areas "A" and "B" for the purpose of depositing dredged material in those areas; and to allow the workmen employed in the dredging operations at the locations described above, to have access to the Mount Vernon Memorial Highway for the purpose of going to and from work, and to park their cars at designated places.

(5) The Secretary of the Interior is hereby further authorized to prescribe any other terms and conditions deemed necessary to protect the interests of the United States in the above transactions.

(c) All lands acquired by the United States pursuant to this act shall be administered by the Secretary of the Interior through the National Park Service as a part of the Mount Vernon Memorial Highway and shall be subject to all laws and rules and regulations applicable thereto.

With the following committee amendments:

Page 2, line 11, after the word "from", insert "an area containing."

Page 4, strike out lines 13 to 21, inclusive, and insert the following:

"(c) The Secretary of the Interior and the Secretary of War are hereby further authorized to prescribe in any contract or contracts entered into pursuant hereto any other terms and conditions deemed necessary to protect the interests of the United States in the above transactions, and to delineate the exact area to be dredged as provided for in section (a).

"(d) All lands acquired by the United States pursuant to this act shall be administered by the Secretary of the Interior through the National Park Service as a part of the Mount Vernon Memorial Highway and shall be subject to all laws and rules and regulations applicable thereto.

"(e) All dredging shall be performed in accordance with plans recommended by the Chief of Engineers and authorized by the Secretary of War as provided in section 10 of River and Harbor Act approved March 3, 1899 (30 Stat. 1151; 33 U. S. C. 403), as amended."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNUAL LABOR ON MINERAL CLAIMS, ALASKA

The Clerk called the next bill, H. R. 2747, relative to annual labor on mineral claims in the Territory of Alaska.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the Territory of Alaska a survey for patent purposes made by a United States mineral surveyor under order of the United States Cadastral Engineer may be credited upon annual labor required by law to be performed upon or for the benefit of the claim or claims for the year in which such survey is made, but in no case shall the credit for the cost of such survey and its attendant expense exceed the amount of the annual labor required for 1 year as to the claim or claims so surveyed.

With the following committee amendment:

Page 2, line 1, after the word "surveyed", insert a colon and the following: "*Provided*, That the cost of such survey shall not be credited in determining the value of the labor or improvements required under section 2325, Revised Statutes (U. S. C., title 30, ch. 2, sec. 29)."

The committee amendment was agreed to.

Mr. MURDOCK of Arizona. Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MURDOCK of Arizona: Page 1, line 3, after the word "the" and before the word "Territory", insert "continental United States and the."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEASING LANDS ON PORT MADISON AND SNOHOMISH OR TALALIP INDIAN RESERVATION, WASH.

The Clerk called the next bill, S. 253, to authorize the leasing of certain Indian lands subject to the approval of the Secretary of the Interior.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WOLCOTT. When Calendar 916 was called, did the amendment offered make this bill applicable to the whole of the continental United States? There was so much confusion that I do not know what was going on. I ask the Speaker whether the amendment offered to H. R. 2747, Calendar No. 916, made the bill applicable to the entire continental United States?

The SPEAKER. The Clerk will report the amendment offered by the gentleman from Arizona [Mr. MURDOCK] to that bill.

The Clerk read as follows:

Amendment offered by Mr. MURDOCK of Arizona: Page 1, line 3, after the word "the" and before the word "Territory", insert "continental United States and the."

Mr. WOLCOTT. Do I understand that amendment was agreed to by unanimous consent?

The SPEAKER. It was.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object to the consideration of the present bill, I may say that in connection with the amendment offered to H. R. 2747, had the official objectors, or the unofficial objectors, or whatever we are classified, knew that the import of that amendment was to bring the entire mining industry of the United States under

this act, we surely would have objected to the original consideration of the bill. I do not think it is fair to this House to legislate in that particular manner, and I wish that hereafter when there are amendments to bills known by the sponsors of the bill they would let us know so we can object, because otherwise we will object to every bill on this calendar.

The SPEAKER. Is there objection to the consideration of the bill S. 253?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding any other provision of law, any Indian lands on the Port Madison and Snohomish or Tulalip Indian Reservations in the State of Washington, may be leased by the Indians with the approval of the Secretary of the Interior, and upon such terms and conditions as he may prescribe, for a term not exceeding 25 years: *Provided, however*, That such leases may provide for renewal for an additional term not exceeding 25 years, and the Secretary of the Interior is hereby authorized to prescribe such rules and regulations as may be necessary to carry out the provisions of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHOCTAW AND CHICKASAW NATIONS IN OKLAHOMA

The Clerk called the next bill, S. 2617, to authorize the leasing of the undeveloped coal and asphalt deposits of the Chocktaw and Chickasaw Nations in Oklahoma.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Reserving the right to object, Mr. Speaker, I should like to have an explanation of this bill. If nobody here can explain the bill, Mr. Speaker, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MIAMI NATION OF INDIANS OF INDIANA

The Clerk called the next bill, H. R. 2306, conferring jurisdiction upon the Court of Claims, with right of appeal to the Supreme Court of the United States to hear, examine, adjudicate, and enter judgment in all claims which the Miami Indians of Indiana who are organized and incorporated as the Miami Nation of Indians of Indiana may have against the United States, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COCHRAN. Mr. Speaker, reserving the right to object, this bill was reported on August 20, 1940. I have in my hand the report filed by the committee with the bill. The report contains a letter from the General Accounting Office and from the Department of the Interior, but it does not contain the letter from the Attorney General, who objects to many features of this bill. The Attorney General's letter is dated July 13, 1939, written to the chairman of the committee. Why is that letter not included in the report? Surely the House is entitled to the views of the Department of Justice. The Attorney General points out the disadvantages to the Government in his communication. Therefore, Mr. Speaker, I object to the present consideration of the bill.

AMENDING THE WHEELER-HOWARD ACT

The Clerk called the next bill, S. 2103, to exempt certain Indians and Indian tribes from the provisions of the act of June 18, 1934 (48 Stat. 984), as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 13 of the act entitled "An act to conserve and develop Indian lands and resources; to extend to Indians the right to form business and other organizations; to establish a credit system for Indians; to grant certain rights of home rule to Indians; to provide for vocational education for Indians; and for other purposes," approved June 18, 1934, as amended, is amended by adding at the end thereof the following new paragraph:

"None of the provisions of this act shall apply to (1) any Indian tribe on the Standing Rock Reservation located in the States of North and South Dakota; (2) the Pine Ridge Sioux Tribe of Indians of the State of South Dakota; (3) the Cheyenne River Sioux Tribe of Indians of the State of South Dakota; (4) the Yankton Sioux Tribe of Indians, of the Rosebud Agency of the State of South Dakota; (5) any Indian on any reservation or any Indian tribe or group, located in the State of Nevada; (6) the Eastern Band of Cherokee Indians located in the State of North Carolina; (7) any Indian tribe, band, or group, located in the State of California; (8) any Indian or Indian tribe on the Colorado River Indian Reservation of the State of Arizona; or (9) the Navajo tribe located in the State of New Mexico."

With the following committee amendment:

Page 1, line 3, strike out all after the enacting clause and insert the following:

"That section 2 of the act of June 15, 1935 (49 Stat. 378), entitled "An act to define the election procedure under the act of June 18, 1934, and for other purposes," is hereby amended to read as follows:

"(a) It shall be the duty of the Secretary of the Interior to hold an election on the question of whether any Indian reservation shall be excluded from, or included within, the application of the act of June 18, 1934 (48 Stat. 984), upon receipt of a petition for such an election signed by one-third of the adult Indians of the reservation.

"(b) The result of such election shall determine whether the said act of June 18, 1934, shall apply, continue to apply, or cease to apply, to such reservation.

"(c) When any such election has been held, no similar election shall be held on the same reservation for a period of 2 years.

"(d) In the event that the Indians of any reservation, having voted that the act of June 18, 1934, shall apply to the said reservation, have secured a charter of incorporation or adopted a tribal constitution under the said act, such Indians may take such action as is required by law to annul such charter, to rescind such constitution, and to discharge or liquidate all corporate or tribal obligations entered into pursuant to such charter or constitution, including, without limiting the generality of the foregoing, all obligations embodied in corporate or tribal loan agreements, trust agreements, leases of tribal land, permits, timber contracts, attorney contracts, land assignments, contracts for the acquisition of land, and contracts for personal services; and no election requiring the exclusion of any such reservation from the said act shall be effective until the prescribed action has been taken and all obligations of the character specified have been discharged or liquidated and a proclamation by the Secretary of the Interior so declares.

"(e) There is hereby authorized to be appropriated out of any moneys in the Treasury, not otherwise appropriated, a sum not to exceed $20,000 in any fiscal year to defray the expenses of elections held under this act.

"(f) This act shall not apply to any reservation in the State of Oklahoma or in the Territory of Alaska."

Mr. CASE of South Dakota. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota to the committee amendment: At the end of line 24 on page 2 insert "or any certain sections thereof," and on page 3 in line 4, after "said act of June 18, 1934" insert "or any certain sections thereof."

TO PERMIT THE INDIANS TO CHOOSE

Mr. CASE of South Dakota. Mr. Speaker, this amendment has been submitted to the chairman of the Committee on Indian Affairs, and to the gentleman from Wisconsin [Mr. SCHAFER] who, I understand, is the author of the committee amendment to the Senate bill, which now comes before us as a substitute. The amendment which I have offered is agreeable to them. It is needed to preserve equity and justice for the Indians.

My amendment has two purposes. The first purpose is to make it possible for an Indian tribe to preserve for itself those portions of the act of June 18, 1934, which it may have found workable and helpful while discarding those portions which have been found unsuited to its particular situation. The second purpose is to make it possible for an Indian tribe that has not accepted the act to come under those portions of the act which it believes will be beneficial even though it may not believe the entire act to be suitable.

Under the first purpose, it is my intention to preserve, for example, certain rights of the Sioux Tribes, known as Sioux benefits, and originally established by law in 1889, to carry out certain treaty provisions, and subsequently confirmed and extended by other legislation, including the act of May 22, 1928 as well as the act of June 18, 1934. Obviously, it would be unfair to the Sioux to impair their Sioux benefits in any way as the price of their voting to remove themselves from the act. Under my amendment, the Sioux should be able to vote to exclude themselves from or to include themselves within, portions of the act without affecting the sections which apply to Sioux benefits.

Under the second purpose, it is my thought that the educational loans and the revolving-fund loans, to mention two examples, are portions of the act of June 18, 1934, which many tribes desire who object to the form of Indian organization required under other sections. Surely the Congress has no desire to make these loan funds a bribe to get Indians to go into a form of social organization that is distasteful to some of them. The ability to use a loan wisely is largely a matter of the individual's ability. The purpose of the loans is to give the Indian a chance to stand on his own feet and to improve his ability to do so. Should the Indians who can use such a loan to advantage be denied the opportunity because his reservation does not want to accept a community form of social or political organization? I am sure that Congress has no intention of maintaining a discrimination among the several reservations on this point. My amendment is intended to make it possible for the loan provisions to be applied to a reservation without requiring the acceptance of the organization and charter features.

Mr. Speaker, some of the trouble under the Indian Reorganization Act has been the attempt to make one coat fit all Indians. But the Indian people on different reservations vary greatly in habits, customs, lands, climate, training, and inheritance. They need coats of different sizes, weights, and colors. I realize that a small amendment of a few words cannot accomplish everything, but I believe this will help. It is designed to let the Indians select for themselves those parts of the act of June 18, 1934, which seem suited and helpful to them and to permit themselves to shake off or leave off those parts of the act which they feel produce quarrels, confusion, and discord. The basic act is not a balanced, unified act. Those who have studied its history know and understand why it is not.

The bill as reported by the committee would only permit reservations to vote on applying or withdrawing from the act as a whole. My amendment extends that principle of choice and decision by the Indians to the sections of the act. I think it will reduce the trouble that has developed on the one hand while extending the good on the other. I realize that very few Members have Indian reservations in their districts and this legislation and discussion of it means little to them. I have five reservations in my district, two of them among the largest in the country. I assure you that the Indians are a loyal, earnest body of American citizens. I earnestly hope that the Congress will give them the opportunity for self-determination which this bill and my amendment seek to provide.

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed; and a motion to reconsider was laid on the table.

The title was amended so as to read "An act to amend an act entitled 'An act to define the election procedure under the act of June 18, 1934, and for other purposes.' "

AMENDING SECTION 204 OF THE TRANSPORTATION ACT OF 1920

The Clerk called the next bill, H. R. 10098, to amend section 204 of the act entitled "An act to provide for the termination of Federal control of railroads and systems of transportation; to provide for the settlement of disputes between carriers and their employees; to further amend an act entitled 'An act to regulate commerce,' approved February 4, 1887, as amended, and for other purposes," approved February 28, 1920.

The SPEAKER pro tempore (Mr. COOPER). Is there objection to the present consideration of the bill?

Mr. KEAN. Reserving the right to object, Mr. Speaker, whatever the merits of this bill may be it is going to cost the Government $1,800,000, and for that reason, it being on the Consent Calendar, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

SEAMEN'S PROTECTION CERTIFICATES

The Clerk called the next bill, H. R. 10381, to repeal sections 4588 and 4591 of the Revised Statutes of the United States.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I wonder if the chairman of the committee will explain what this bill does?

Mr. BLAND. The sole purpose of this bill is to get rid of some old statutes that are merely confusing now, and that require the collector of customs to give certain certification as to seamen. We have on the statutes now authority whereby they must proceed in a regular way to be identified and licensed. This creates a confusion in the law.

Mr. WOLCOTT. One of the sections to be repealed provides for the issuance of seamen's protection certificates, and the other provides for the continuous-discharge book. Is the information which is contained in the seamen's protection certificates and the continuous-discharge book provided for at the present time?

Mr. BLAND. It is provided for now under penalties and regulation. The provisions in the statutes sought to be repealed confuse the situation inasmuch as they call for a protection certificate that does not comply with the regulations we have later put upon the books.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 4588 and 4591 of the Revised Statutes of the United States (U. S. C., title 46, secs. 686 and 687), be and they are hereby repealed.

SEC. 2. All certificates heretofore issued to seamen under the authority of section 4588 of the Revised Statutes of the United States are hereby declared void.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RAILROAD RETIREMENT BOARD

The Clerk called the joint resolution (S. J. Res. 267) providing for acquisition by the Railroad Retirement Board of data needed in carrying out the provisions of the Railroad Retirement Acts.

The SPEAKER pro tempore. Is there objection to the present consideration of the joint resolution?

Mr. KEAN. Reserving the right to object, Mr. Speaker, may I ask the gentleman about the $9,000,000 that is involved? Where is it coming from, and will it ultimately result in further appropriations by the United States Government?

Mr. LEA. The expense of the Retirement Board is maintained by direct appropriations by the Federal Government, but the employees contribute half of that fund and the railroads contribute the other half. Under the law, the direct contribution is made from the Federal Treasury on the theory that it is necessary to do so to make the act constitutional, but the fund is reimbursed by the men and by the railroads.

Mr. KEAN. As this would result in a large annual contribution by the United States Government, a contribution of more than the $1,000,000 which we figure is the right amount to allow to pass on the Consent Calendar, I must ask unanimous consent that the bill be passed over without prejudice.

Mr. VAN ZANDT. Reserving the right to object, Mr. Speaker, may I say to the gentleman from New Jersey [Mr. KEAN] that this is not intended as an annual appropriation, it is an appropriation which will make possible the compilation of information in order to bring the railroadman's record up to date. When that feat is accomplished it is then incumbent upon the railroad management to keep every employee's record up to date. Under present conditions sometimes a period of 6 to 9 months is consumed by the railroads and the Railroad Retirement Board in assembling information so as to perfect a retirement application. When this money is expended, a period of 2 years will have elapsed and the record of every railroad employee in the United States

will be up to date enabling the Railroad Retirement Board to adjudicate a retirement claim within 15 days. Incidentally the work of compiling these records will employ many furloughed employees and will be of twofold value in benefiting all railroad employees and aiding those unemployed.

Mr. KEAN. In answer to the gentleman may I say that I agree with him that it is a good bill, but it is on the Consent Calendar and we have made a rule that large items shall not be passed on the Consent Calendar. I must insist on my request.

Mr. VAN ZANDT. Surely the gentleman recalls that a moment ago the chairman of the Committee on Interstate and Foreign Commerce [Mr. LEA] informed the House that the Government is not paying the bill. While it is true an appropriation is being asked for, the Federal Treasury will be reimbursed by a form of tax paid jointly by the railroads and their employees.

Mr. KEAN. He says that it is.

Mr. LEA. The Government pays it in the first instance, and the money is supposed to be recouped by the contributions made by the men and by the railroads.

Mr. VAN ZANDT. In other words, the employees and the railroad management pay the bill.

Mr. CROSSER. If the gentleman will yield, may I say that both the men and the management are for this bill.

Mr. KEAN. I now understand from the gentleman that the $9,000,000 would entirely be returned to the United States Government by the railroads and the men, so this will not result in any ultimate payment by the United States Government.

Mr. LEA. That is the theory of the law at the present time.

Mr. KEAN. I withdraw my request, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the joint resolution, as follows:

Whereas complete records of all service and compensation which may be creditable toward benefits under the provisions of the Railroad Retirement Act of 1937 and the Railroad Retirement Act of 1935 are required for the administration of said acts; and

Whereas such records with respect to service prior to January 1, 1937, are largely in the possession of employers subject to said acts and are constantly subject to the danger of loss or destruction; and

Whereas the loss or destruction of such records would jeopardize the establishment of the rights of individuals to annuities based in whole or in part on such prior service and would otherwise severely and permanently impede and impair the administration of said acts, and the danger of loss or destruction presents a serious emergency; and

Whereas the prompt transcription, compilation, and filing with the Railroad Retirement Board of such records will remove the data contained therein from the danger of their loss or destruction and will make them expeditiously and permanently available for necessary operations of the Railroad Retirement Board and will result in a more efficient and economical administration of the said acts: Therefore be it

Resolved, etc., That each employer subject to the Railroad Retirement Act of 1937, and each other company, association, or person (hereinafter referred to as the "other company") who is in possession of such data as are hereinafter described, shall immediately begin collecting and shall furnish currently as completed and not later than June 30, 1943, shall have completed furnishing to the Railroad Retirement Board (hereinafter called "the Board") in such form as the Board may prescribe, certified reports of all data with respect to service and compensation prior to January 1, 1937, corresponding in substance with that which has heretofore been required by the Board for the adjudication of claims for annuities under the Railroad Retirement Act of 1937 and the Railroad Retirement Act of 1935, and which can be obtained from the records in the possession of such employer or other company.

SEC. 2. The Board is hereby authorized and directed to establish a uniform reasonable rate of payment to which employers or other companies are entitled for the furnishing of the reports required by section 1 of this joint resolution to be furnished which rate shall not result in payment to any employer or other company of any amount in excess of 50 cents multiplied by the aggregate number of man-years of service established and verified by such employer or other company and reported to the Board in accordance with section 1 of this joint resolution. The Board shall, from time to time, determine, and certify on proper voucher to the Secretary of the Treasury, the amount of payment due to each employer or other company pursuant to this section: *Provided, however,* That no payment shall be certified or made with respect to any item in such reports as concerns the record of employees 65 years of age or over who have filed application for annuity, or with respect to any report not furnished on or before June 30, 1943. Upon such certification, the Secretary of the Treasury shall pay such amount to such employer or other company from the special fund hereinafter established. Whenever any employer or other company furnishes through any other employer or other company any report required by the first section of this joint resolution to be furnished, the Board may certify the payment to be made to the employer or other company through whom such report is furnished, and payment in accordance with such certification shall discharge all obligations arising hereunder with respect to such report.

SEC. 3. If any employer or other company fails to exercise due care and diligence in carrying out its duties under this joint resolution, the Board, by its employees, may transcribe the necessary data from records in the possession of such employer or other company, which records shall be made available as the Board may require, and no payment shall be due to any employer or other company for or on account of any records transcribed by employees of the Board.

SEC. 4. Reports, records, and data acquired by the Board pursuant to this joint resolution shall be so assembled and processed by the Board as to provide as nearly as practicable a complete record, by individuals, of all service and compensation prior to January 1, 1937, creditable under the Railroad Retirement Act of 1937 or the Railroad Retirement Act of 1935. The Board shall take steps reasonably calculated to give notice of such record to each individual with respect to whom such record is established. Direct communication, transmission to employers for delivery, public advertisement, or such other means as the Board may determine, shall constitute due notice to all such individuals: *Provided, however,* That unless the Board's records show that actual notice was received through other means by an individual for whom the Board has an address on file and such notice is evidenced by a receipt signed by such individual, notice to such individual shall include the mailing of notice to the last address on file with the Board. Whenever the Board shall determine that reasonable notice has been given it shall so find and shall enter such finding upon its records. Such finding may be made with respect to all individuals or, from time to time, with respect to described classes of individuals. Any record established as hereinabove provided, which is not contested within 2 years after the finding of reasonable notice hereinabove provided for has been entered upon the records of the Board, shall be presumed to include all service rendered and compensation earned prior to January 1, 1937, by the individual to whom such record relates, and, unless shown by new and manifestly convincing evidence to be clearly erroneous, shall be conclusive: *Provided, however,* That such record shall in no wise restrict the authority of the Board to determine, upon the filing of an application for an annuity, that some or all of the service or compensation so recorded is not service or compensation as said terms are defined in the Railroad Retirement Acts or that under the provisions of the applicable Railroad Retirement Act some or all of the service or compensation so recorded is not to be used in the computation of an annuity. The Board may also take steps, through publication or otherwise, reasonably calculated to give notice of the carrying out of this joint resolution to individuals with respect to whom no record of service or compensation is established. Whenever the Board shall determine that such steps have been taken it shall so find and shall enter such findings upon its records. With respect to each individual who does not, within 2 years after such finding has been entered upon the records of the Board, request the establishment of a record of his service and compensation, the fact that no such record is established shall be presumed to show that such individual, prior to January 1, 1937, rendered no service and earned no compensation as said terms are defined in the applicable Railroad Retirement Act, and such presumption shall be rebuttable only by new and manifestly convincing evidence showing it to be clearly erroneous.

SEC. 5. The Board is hereby authorized to promulgate such orders, rules, and regulations as in its judgment are necessary or proper to carry out the purposes of this joint resolution. All powers and remedies including legal processes available to the Board under the Railroad Retirement Act of 1937 for the administration of said act shall be similarly available to the Board for the carrying out of this joint resolution.

SEC. 6. In order to carry out the purposes of this joint resolution, there shall be set aside on July 1, 1940, in a special fund $9,000,000 of the amount appropriated to the Railroad Retirement Account by the Railroad Retirement Board Appropriation Act, 1941, such fund to remain available until June 30, 1943, for expenditure in accordance with the provisions of section 2 of this joint resolution. Any unobligated balance on June 30, 1943, in the special fund hereby established shall revert to the railroad retirement account.

SEC. 7. No provision of this joint resolution shall be construed in any manner to limit or impair any authority, power, or discretion conferred upon or vested in the Board by the Railroad Retirement Act of 1935, the Railroad Retirement Act of 1937, or the Railroad Unemployment Insurance Act.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESIDENCE REQUIREMENTS FOR CERTAIN POSTMASTERS

The Clerk called the next bill, H. R. 10012, to amend the act of June 25, 1938, extending the classified civil service to include postmasters of the first, second, and third classes, and for other purposes.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I reserve the right to object, and under that reservation I ask unanimous consent to address the House for 5 minutes on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SCHAFER of Wisconsin. Mr. Speaker, this is a bad bill. The bill is an antimerit system, political-spoils system bill, and it was no doubt originally introduced in order to O. K. and approve of positive willful violations of the law by the United States Civil Service Commission and the Post Office Department.

In the district which I have the honor to represent there is located a Veterans' Administration hospital and home at Wood, Wis. Wood, Wis., has a separate post office and its own postmaster, and the city of Milwaukee post office has nothing to do with its operation. A civil-service examination was held in order to establish an eligible list from which to appoint a postmaster at Wood, Wis. An eligible list was established by the United States Civil Service Commission. Three World War veterans with disability preference qualified in the examination, and their names appeared on the eligible list which was established by the United States Civil Service Commission. Two of those on the eligible list which was certified to the Post Office Department by the United States Civil Service Commission were war veterans with a veteran's disability preference, who were bona fide residents at Wood, Wis., within the territory served by the Wood post office and patrons of the Wood, Wis., post office. The third veteran on said eligible list who was appointed postmaster at Wood, Wis., was a resident of West Allis, Wis., and a patron of the West Allis, Wis., post office.

Mr. Speaker, section 2 of the act of June 25, 1938, under which the postmaster at Wood, Wis., is appointed, provides that—

> No person shall be eligible for appointment under this section unless such person has actually resided within the delivery of the office to which he is appointed, or within the city or town where the same is situated for 1 year next preceding the date of such appointment, if the appointment is made without competitive examination; or for 1 year preceding the date fixed for the close of receipt of applications for examination, if the appointment is made after competitive examination.

Mr. Speaker, this mandatory requirement of the act of June 1938 is clear and unmistakable. Mr. Earl Judkins, of West Allis, Wis., was appointed postmaster at Wood, Wis., in clear violation of the specific provisions of law. He had not resided within the delivery of the Wood, Wis., post office or within the city or the town where such post office is situated for 1 year preceding the date fixed for the close of receipt of applications for the civil-service examination. The Wood, Wis., post office and the territory which it serves is within the corporate limits of the city of Milwaukee, Wis. West Allis, Wis., is an independent municipality, and the Wood, Wis., post office is not situated within its corporate limits.

Mr. Speaker, I understand that the pending bill was introduced in order to legalize the illegal appointment of a carpetbagger postmaster for the Wood, Wis., post office. This political-spoils system of appointing carpetbagger postmasters in clear violation of clear and unmistakable provisions of law is indefensible and reprehensible, and I do not want to put my approval on it by consenting to the consideration and passage of this bill.

I, for one, intend to oppose this bill and object to its consideration today. Should it come before us in the future, I sincerely hope that all of those who talk much in favor of the selective civil-service merit system in the Halls of Congress and outside of the Halls of Congress will help me give this bill the kiss of death.

Mr. Speaker, the Congress should not legalize an illegal act in the appointment of a carpetbagger postmaster in a Veterans' Administration facility when we have two qualified war veterans with service-incurred disabilities on the eligible list who meet the residence requirements of the law applicable to postmaster appointments.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. SCHAFER of Wisconsin. I yield.

Mr. RAMSPECK. If the gentleman is correct in his facts and if the gentleman will report the matter to the Comptroller General the postmaster will not be paid. I am just as much in favor of carrying out the law as is the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. I am correct in my facts, and when I return to Wisconsin I intend to have a court action taken to prevent the expenditure of public funds for a postmaster's salary who is specifically prohibited by law from being appointed postmaster.

Mr. RAMSPECK. The gentleman does not have to bring any court action.

Mr. SCHAFER of Wisconsin. I shall take this matter up with the Comptroller General, and if it is necessary take it to court in order that the clear and specific law of the land is not violated in importing a carpetbagger, political-spoils-system, political-henchman postmaster into a Veterans' Administration facility when two veterans who have service disabilities reside within the limits of the post office and their names appear on the eligible list established by the United States Civil Service Commission.

I am fearful that this bill might legalize that illegal appointment at Wood, Wis.

Mr. RAMSPECK. This bill has nothing to do with that.

Mr. SCHAFER of Wisconsin. I will object to the bill's consideration today, and I will then take it up with the gentleman, and if he can show me that it will not legalize this illegal appointment of a carpetbagger postmaster at Wood, Wis., I shall withdraw my objection to its consideration.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. SCHAFER of Wisconsin. I object to the present consideration of the bill, Mr. Speaker.

AMENDMENT OF MOTOR CARRIER ACT

The Clerk called the next bill, H. R. 10398, to amend part II of the Interstate Commerce Act (the Motor Carrier Act, 1935), as amended, so as to make certain provisions thereof applicable to freight forwarders.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PROHIBITION FROM OFFICIAL BALLOT OF POLITICAL PARTIES ADVOCATING OVERTHROW OF THE GOVERNMENT OF THE UNITED STATES

The Clerk called the next business, House Concurrent Resolution 55, recommending to the States the prohibition from official ballot of political parties advocating overthrow of the Government of the United States by force.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the Clerk read the concurrent resolution, as follows:

> *Resolved, etc.,* That it is the sense of the Congress of the United States that any political party or organization which advocates the overthrow by force of the form of government of the United States established by the Constitution should not be recognized as a political entity, and the Congress recommends to the several State legislatures the enactment of legislation prohibiting the recognition of any such political party or organization on the official ballot of such States for the election to any office within such States, and for the choice of electors of the President and Vice President of the United States and for the election of Senators and Representatives in Congress.

The concurrent resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RENTALS IN CERTAIN OIL AND GAS LEASES

The Clerk called the next bill, H. R. 10402, to amend the act relating to rentals in certain oil and gas leases.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. HORTON. Reserving the right to object, Mr. Speaker, the gentleman is aware of the fact that if this is allowed to go over without prejudice, there will never be another time during this session when this bill can be brought up?

Mr. COSTELLO. Personally, I am opposed to the enactment of the legislation. As a matter of fact, this proposition was brought before the House scarcely more than a month or so ago. The House had reported out a bill with the approval of the Department of the Interior. The House committee then offered an amendment to do the very thing that this bill which is now on the calendar attempts to do. That amendment was turned down by the House, and the bill in the unamended form was passed and approved by the President. Now the gentleman is bringing in another bill to try to force upon the House the adoption of an amendment that the House has already rejected.

At the time that bill was on the calendar I raised objection to the amendment. Under the terms of the original bill it was provided that those who went out and obtained mining leases would have to make the first year's rental payment on that lease and the requirement to make payment in the second and third years would be waived. Under the terms of the present bill a person who would make his lease would not have to pay anything during the first and second years and then would only be called up to make payment to the Government in the third year. In other words, if he did not find oil or gas or some other mineral upon the ground during the first 2 years he could vacate the property and abandon it and he would have to pay out nothing for the use thereof. There is no benefit to the Government in that sort of proposal. It is putting the cart before the horse. If the Government is going to receive anything out of these leases it should require that the person should make rental payments the first year and not wait until the third year.

Mr. HORTON. Will the gentleman yield?

Mr. COSTELLO. I yield.

Mr. HORTON. The gentleman is quite right in the purpose of the bill. I call the gentleman's attention to the fact that the amendment was a committee amendment and passed unanimously by the Committee on Public Lands. I do not know of anyone excepting the gentleman from California and the Department of the Interior who is opposed to this bill. This is an opportunity and this is an effort to give the little fellow a chance to develop for himself something on the public domain. If he is not relieved of the necessity of paying these rentals for the first year, it does not give him, the little fellow, a chance. Otherwise you give the big fellow all the opportunities and the little fellow who does the wildcatting loses everything he has. Do you not honestly think that now, when we are engaged in national defense, when we are trying to find out where these strategic materials are, that the little wildcatter ought to be given an even break, especially since he is the fellow who spends his own money and really makes these discoveries? That is the purpose of this bill.

Mr. COSTELLO. As a matter of fact, you would not be benefiting the small man at all any more than you would the big company, because the big oil companies who want to go out and prospect this land for new development would be able to get persons to go out and make these leases and make the preliminary investigations, and the oil companies would not have to put up a single penny. Now, if in this country we were suffering from a shortage of gas and oil, then we might be anxious to offer every inducement to people to go out and discover new oil fields. But we are not suffering from that sort of situation. As a matter of fact, we are suffering from overproduction of oil and gas.

Mr. HORTON. The gentleman will admit that it is a good thing to find out where this oil is? He knows that 90 percent of the oil discoveries have been done by wildcatters?

Mr. COSTELLO. I think the legislation we have already enacted was a very liberal grant on the part of the Government, whereby we waived the second and third year's rental requirements. Frankly I cannot see any justification for any person taking a lease for 3 years and not being obligated to pay for the first 2 years. Only in the third year, if he discovers anything, is he going to pay anything. I do not think the legislation is necessary, and for that reason I am going to insist on the bill being passed over.

Mr. O'CONNOR. Will the gentleman yield?

Mr. COSTELLO. I yield.

Mr. O'CONNOR. I wish to call the gentleman's attention to the fact that the Committee on Public Lands, which consists of a membership which is supposed to know a great deal about public lands and the development of oil and which knows the handicaps that the oil prospector is up against, considered this amendment on two different occasions. They unanimously reported this bill out. I think it has a great deal of merit because, in the first place, unless oil is struck he loses his money. It has cost the prospector not only his time, but in addition to that whatever revenue or money he could pick up in the meantime. So it seems to me it would simply go a little way in helping the little fellow. The big fellow is able to take care of himself, he does not need any assistance from the Government. As suggested by the gentleman from Wyoming it is the small prospector for whose benefit this bill is designed.

Mr. COSTELLO. I think the gentleman would find that the large companies would benefit as much as the little fellows, frequently more so, because they would engage more people to go out and prospect the leases for them.

The SPEAKER pro tempore. Is there objection to the request that the bill be passed over without prejudice?

There was no objection.

CITIZENSHIP OWNERSHIP OF VESSELS

The Clerk called the next bill, H. R. 7694, to require vessels engaged in the coastwise trade and in the whaling or other fisheries to be wholly owned by citizens of the United States, and for other purposes.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I have talked with the chairman of the committee in connection with this bill. The bill is drafted, I am informed, in such way that the situation in respect to the so-called railroad-car ferries operating in the Great Lakes connecting their own lines is not protected definitely. The Grand Trunk Western Railway, for example, have connecting ferries which have been running from time immemorial. I do not believe it is the intention of the committee to stop the operation of these car ferries. The Grand Trunk Western Railway stock is owned largely by the Canadian National Railways. Has the gentleman an amendment to correct this situation?

Mr. BLAND. The gentleman is right. There is nothing in the present bill except section 27 of the Merchant Marine Act of 1920. It was thought we had entirely covered the situation, but it was brought to our attention afterward that we had not. This morning we adopted an amendment which was acceptable to the Great Lakes interests as entirely taking care of that situation.

We also adopted one or two other amendments this morning.

The general purpose of this act is one that has been sought for a number of years involving a situation regarding ownership of coastwise vessels requiring them to be American-owned, yet we have not covered it as we did in 1916. Under that act the vessels could operate provided they were manned by American officers. We have taken care of that situation so as to require American ownership.

Mr. WOLCOTT. Then do I understand the gentleman intends to offer an amendment covering the Great Lakes car ferries situation?

Mr. BLAND. I shall offer one for that very purpose. There are three amendments to be offered to this bill. I ask unanimous consent, Mr. Speaker, that at this time these three

amendments may be reported for the information of the House before the objecting stage is passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia that the proposed amendments be reported for information?

There was no objection.

The Clerk read as follows:

Amendment No. 1: Page 13, strike out lines 16 to 19, inclusive, and insert in lieu thereof the following:

"(2) a resident of the United States who is not a citizen of the United States but who is a citizen of any insular possession of the United States whose citizens owe allegiance to the United States."

Amendment No. 2: Page 16, between lines 14 and 15, insert the following:

"(e) Seagoing vessels of foreign build hereafter certified by the Bureau of Marine Inspection and Navigation as safe to carry dry and perishable cargo which are to engage only in trade with foreign countries, with the Philippine Islands, the islands of Guam, Tutuila, Wake, Midway, and Kingman Reef; and if found otherwise engaged, such vessels shall be forfeited: *Provided, however,* That no such vessel shall hereafter be admitted to registry as a 'vessel of the United States' unless the admission to registry thereof shall be approved jointly by the United States Maritime Commission, the Navy Department, and the Department of Commerce after consultation by the Maritime Commission with the State Department and such other agencies as the Maritime Commission may deem advisable and, with the approval of the President of the United States, shall be found to be in the interest of the foreign trade or the national defense of the United States."

Amendment No. 3: Page 18, line 21, after "SEC. 11", insert "(a)."

Page 19, beginning in line 1, strike out all after the semicolon down to and including the semicolon in line 3.

Page 19, after line 19, insert the following:

"(b) The right of any vessel to engage in transportation which prior to the enactment of this act would be permitted only by the second proviso of section 27 of the Merchant Marine Act, 1920, as amended, and to be documented under the laws of the United States for the purpose of engaging only in such transportation, or the right of any foreign vessel to engage in such transportation, shall, notwithstanding any provision of this act or of any amendment made by this act, be determined as if this act had not been enacted: *Provided, however,* That such vessel, if so documented under the laws of the United States, shall be forfeited if used in transportation not permitted by the second proviso of section 27 of the Merchant Marine Act, 1920, as amended: *Provided further,* That such vessel, if not a vessel of the United States, shall be subject to all of the applicable provisions of this act, and amendments made by this act, if used in any other transportation than that permitted by the second proviso of section 27 of the Merchant Marine Act, 1920, as amended.

"(c) In the case of a car ferry complying with all of the conditions and requirements of the last proviso of section 27 of the Merchant Marine Act, 1920, as amended, except the requirement relating to documentation, notwithstanding any other provision of this act, or of any amendment made by this act, the right of such car ferry to be documented under the laws of the United States for the purpose of engaging only in transportation permitted by that proviso, and only as a part of rail routes permitted by that proviso, and to engage in such transportation, shall be determined as if this act had not been enacted: *Provided, however,* That such car ferry, if so documented and used in transportation not permitted by such proviso, or if so documented and operated over any route not permitted by such proviso, shall be forfeited."

Mr. BLAND (interrupting the reading of the third amendment). I may say that this is the amendment that takes care of the Grand Trunk situation and provides that they may continue just as they are now without interference.

Mr. WOLCOTT. Can the gentleman inform us whether this will allow the reequipping of these ferry facilities?

Mr. BLAND. The next section relates to the ferry facilities and this operation of the railroads which are under the Interstate Commerce Commission. They were permitted, as to certain operations, to retain the status just as it is now.

It retains the status quo just as it is now, both as to those and as to the next amendment, the car-ferry amendment.

Mr. WOLCOTT. And the putting on of new ferries and the junking of old?

Mr. BLAND. Just so long as they do not extend the service. Present operations are all right.

Mr. CRAWFORD. Will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Michigan.

Mr. CRAWFORD. On two different times the Grand Trunk ferries have been referred to. There is not anything in this proposal to interfere in any way with the Ann Arbor proposition?

Mr. BLAND. We are protecting them.

Mr. CRAWFORD. And all the other lines that operate across the Great Lakes?

Mr. BLAND. We are protecting them with these amendments. Mr. Speaker, I will ask that on page 16 "e" and "f" be made "f" and "g." This is a renumbering of the section.

The SPEAKER pro tempore. What is the request of the gentleman from Virginia?

Mr. BLAND. That in addition to the amendments which have already been submitted, the following amendment be permitted: On line 16, page 15, "e" be changed to "f", and on page 19, "f" be changed to "g." We have inserted a new section "e" and a renumbering is necessary.

The SPEAKER pro tempore. The Chair is advised that is on page 16, line 15.

Mr. BLAND. Yes. That should be changed to "f." On page 16, line 19, "f" should be changed to "g."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia [Mr. BLAND]?

There was no objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 4311 of the Revised Statutes of the United States is amended to read as follows:

"SEC. 4311. (a) Vessels of 20 net tons and upward, enrolled in pursuance of this title (R. S. 4311–4390; U. S. C., title 46, secs. 251–356) and having a license in force, or vessels of less than 20 tons but not less than 5 net tons, which, although not enrolled, have a license in force, as required by this title, and no others, shall be deemed vessels of the United States entitled to engage in the coasting trade or fisheries. Any vessel other than as defined above found engaged in the coasting trade or fisheries shall, together with her tackle, apparel, furniture, and equipment, be forfeited: *Provided,* That the penalty prescribed by this section shall not apply to undocumented vessels of less than 5 net tons, built in and wholly owned by citizens of the United States and operated by crews at least 50 percent of which, excluding the person in charge, shall be citizens of the United States: *Provided further,* That such penalty shall not apply to vessels built in the United States and which, on the effective date of this act, are owned by aliens lawfully admitted as residents therein, which vessels are engaged solely in the fisheries until on and after 6 years from the date of the approval of this act: *And provided further,* That nothing in this act shall be construed to affect any existing laws relating to the kind of documents necessary for vessels engaged in the coasting trade or whale fisheries.

"(b) Within the meaning and for the purposes of this section, and of the navigation laws of the United States regulating the registry, enrollment and licensing, and licensing of vessels as contained in titles XLVIII and L of the Revised Statutes of the United States and amendments thereto (chs. 1 and 12, U. S. C., title 46), and the numbering of undocumented vessels propelled in whole or in part by machinery as provided by the act of June 7, 1918 (40 Stat. 602), as amended by the act of August 5, 1935 (49 Stat. 526) (U. S. C. 288, title 46), the term 'citizen (or citizens) of the United States' shall, whenever used therein, be defined as follows:

"(1) As applied to individuals it shall be held to include only those persons whose citizenship has been legally acquired by virtue of birth or who have been completely naturalized in accordance with the laws of the United States.

"(2) Firms, partnerships, companies, organizations, and associations (other than corporations) shall be deemed citizens of the United States only if the entire ownership, interest, control, and management of such is vested solely in persons who are citizens of the United States as defined in paragraph (1) of this subsection.

"(3) A corporation shall be deemed a cititzen of the United States only if it is organized and chartered under the laws of the United States, or of any State, Territory, or District thereof, the corporate officers and directors are citizens of the United States as hereinbefore defined, and not less than 51 percent of the voting stock of such corporation is owned by persons who are citizens of the United States and is free from any trust or obligation of any kind whatsoever in favor of any person not a citizen of the United States; but in case of a corporation operating a vessel in the coasting trade or in the whaling or other fisheries not less than 75 percent of the voting stock must be owned by persons who are citizens of the United States and is free from any trust or obligation of any kind whatsoever in favor of any person not a citizen of the United States: *Provided,* That after the effective date of this act no certificate of registry, certificate of enrollment and license, license, or certificate of award of number to an undocumented vessel shall be issued to any vessel not wholly owned by a citizen or citizens of the United States: *And provided further,* That 6 years from the effective date of this act all such documents, including certificates of award of numbers to undocumented vessels, which have been issued prior to the passage and approval of this act to vessels the ownership of which is not in accordance with the provisions of this act, and which are outstanding at the end of the 6-year period above fixed, shall become null and void and shall be

taken up and canceled, and any such vessel thereafter operated in violation of the ownership requirements of this act, unless the same shall have been lawfully transferred to foreign registry, shall be seized and forfeited."

SEC. 2. That section 4131 of the Revised Statutes, as amended (46 U. S. C. 221), is hereby amended to read as follows:

"SEC. 4131. Vessels registered pursuant to law and no others, except such as shall be duly qualified according to law for carrying on the coasting or fishing trade, and except yachts licensed under the provisions of section 4214 of the Revised Statutes of the United States, as amended (U. S. C., 1934 ed., title 46, sec. 103), shall be deemed 'vessels of the United States', and entitled to the benefits and privileges appertaining to such vessels; but no such vessel shall enjoy such benefits and privileges longer than it shall continue to be wholly owned by persons who are citizens of the United States, either native born or completely naturalized, or by corporations organized and chartered under the laws of the United States or of any State, Territory, or district thereof, the corporate officers and directors of which are citizens of the United States as hereinbefore defined, and not less than 51 percent of the voting stock of such corporation is owned by persons who are citizens of the United States and is free from any trust or obligation of any kind whatsoever in favor of any person who is not a citizen of the United States; but in case of a corporation operating a vessel in the coasting trade or in the whaling or other fisheries not less than 75 percent of the voting stock shall be so owned; and all 'vessels of the United States,' as herein defined, shall be commanded by persons who are citizens of the United States. All the officers of 'vessels of the United States' who shall have charge of a watch, including pilots, shall in all cases except as otherwise expressly provided by law be citizens of the United States. The word 'officers' shall include all engineers in charge of a watch; and, except as otherwise expressly provided for by law, no person shall be qualified to hold a license as a commander or watch officer of a 'vessel of the United States' who is not a native-born citizen or whose naturalization as a citizen shall not have been fully completed. In cases where, on a foreign voyage, any such vessel is for any reason deprived of the services of an officer below the grade of master, his place, or a vacancy caused by the promotion of another officer to such place, may be supplied by a person not a citizen of the United States until the arrival of the vessel at the first port in the United States; and such vessel shall not be liable to any penalty or penal tax for such employment of an alien officer."

SEC. 3. That section 4132 of the Revised Statutes, as amended (46 U. S. C. 11), is hereby amended to read as follows:

"SEC. 4132. The following-described vessels shall, unless otherwise disqualified by law, be entitled to be registered as 'vessels of the United States':

"(a) Vessels built within the United States.

"(b) Vessels which may be captured in war by citizens of the United States and lawfully condemned as prize.

"(c) Vessels which may be adjudged to be forfeited for a breach of the laws of the United States.

"(d) Seagoing vessels of foreign build which have been certified by the Bureau of Marine Inspection and Navigation as safe to carry dry and perishable cargo may be admitted to registry as 'vessels of the United States' for trade only with foreign countries, the Philippine Islands, and the islands of Guam and Tutuila, and if found otherwise engaged such vessels shall be forfeited: *Provided*, That no vessel described in this section shall be admitted to registry as a 'vessel of the United States' unless wholly owned by persons who are citizens of the United States, either native-born or whose naturalization shall have been fully completed, or by corporations organized and chartered under the laws of the United States or of any State, Territory, or district thereof, the corporate officers and directors of which corporation are citizens of the United States as above defined, and not less than 51 percent of the voting stock of such corporation is owned by citizens of the United States and is free from any trust or obligation of any kind whatsoever in favor of any person not a citizen of the United States; but in case of a corporation operating any vessel in the coasting trade or in the whaling or other fisheries not less than 75 percent of the voting stock shall be so owned."

SEC. 4. That section 4137 of the Revised Statutes (46 U. S. C. 15) is hereby amended to read as follows:

"SEC. 4137. Registers for vessels owned by any incorporated company may be issued in the name of the president or secretary of such company, and such register shall not be vacated or affected by sales of any shares of stock in such company if such sales do not result in alien ownership or control, directly or indirectly, of a percentage of such stock in excess of the amount permitted by any law relating to the ownership of vessels registered pursuant to the laws of the United States."

SEC. 5. That section 4313 of the Revised Statutes (46 U. S. C. 253) is hereby amended to read as follows:

"SEC. 4313. Enrollments and licenses for vessels owned by any incorporated company may be issued in the name of the president or secretary of such company, and such enrollments or licenses shall not be vacated or affected by any sale of shares of stock of such company if such sales do not result in alien ownership or control, either directly or indirectly, of a percentage of such stock in excess of the amount permitted by any law relating to the ownership of vessels enrolled and licensed or licensed for the coasting trade or for the whaling or other fisheries."

SEC. 6. That section 1 of the act of June 7, 1918, as amended by the act of August 5, 1935 (49 Stat. 526; 46 U. S. C. 288), is hereby amended by substituting a colon for the period at the end of the section and adding thereto the following proviso: "*Provided*, That no numbers shall be awarded to vessels under the provisions of this act which are not wholly owned by persons who are citizens of the United States, either native-born or whose naturalization shall have been fully completed, or by corporations organized and chartered under the laws of the United States or of any State, Territory, or district thereof, the corporate officers and directors of which corporation are citizens of the United States, and not less than 75 percent of the voting stock of such corporation is owned by persons who are citizens of the United States and is free from any trust or obligation of any kind whatsoever in favor of any person who is not a citizen of the United States."

SEC. 7. That wherever in this act and in the sections of law herein amended the words "person" or "persons" are used in connection with the ownership of vessels they shall be held to include individuals, firms, partnerships, companies, organizations, and associations (other than corporations).

SEC. 8. The Secretary of Commerce shall promulgate appropriate regulations for effectuating the provisions of this act.

SEC. 9. Except as herein otherwise provided this act shall become effective on the date of approval thereof.

With the following committee amendment:

Page 1, strike out all after the enacting clause and insert the following:

"That within the meaning and for the purposes of this act, and of the laws of the United States regulating the registry, enrollment and licensing, and licensing of vessels as contained in titles XLVIII and L of the Revised Statutes, as amended, and in acts supplementary thereto, the term 'citizen (or citizens) of the United States' shall, wherever used therein, be defined as follows:

"(a) As applied to individuals it shall be held to include only those persons whose citizenship has been legally acquired by virtue of birth or who have been completely naturalized in accordance with the laws of the United States.

"(b) Firms, partnerships, companies, organizations, and associations (other than corporations) shall be deemed citizens of the United States only if the entire ownership, interest, control, and management of such is vested solely in persons who are citizens of the United States as defined in subsection (a) of this section.

"(c) No corporation shall be deemed a citizen of the United States unless the controlling interest therein is owned by citizens of the United States and unless its president and managing directors are citizens of the United States and the corporation itself is organized under the laws of the United States or of a State, Territory, district, or possession thereof, but in the case of a corporation operating any vessel in the coastwise trade or in the whaling or other fisheries the amount of interest required to be owned by citizens of the United States shall be 75 percent.

"(d) The controlling interest in a corporation shall not be deemed to be owned by citizens of the United States (1) if the title to a majority of the stock thereof is not vested in such citizens free from any trust or fiduciary obligation in favor of any person not a citizen of the United States; or (2) if the majority of the voting power in such corporation is not vested in citizens of the United States; or (3) if through any contract or understanding it is so arranged that the majority of the voting power may be exercised, directly or indirectly, in behalf of any person who is not a citizen of the United States; or (4) if by any other means whatsoever control of the corporation is conferred upon or permitted to be exercised by any person who is not a citizen of the United States.

"(e) Seventy-five percent of the interest in a corporation shall not be deemed to be owned by citizens of the United States (1) if the title to the 75 percent of its stock is not vested in such citizens free from any trust or fiduciary obligation in favor of any person not a citizen of the United States; or (2) if 75 percent of the voting power in such corporation is not vested in citizens of the United States; or (3) if, through any contract or understanding it is so arranged that more than 25 percent of the voting power in such corporation may be exercised, directly or indirectly, in behalf of any person who is not a citizen of the United States; or (4) if by any other means whatsoever control of any interest in the corporation in excess of 25 percent is conferred upon or permitted to be exercised by any person who is not a citizen of the United States.

"SEC. 2. Section 4311 of the Revised Statutes (U. S. C., 1934 ed., title 46, sec. 251) is hereby amended to read as follows:

"'SEC. 4311. (a) Vessels of 20 net tons and upward, enrolled and having a license in force, or vessels of less than 20 net tons but not less than 5 net tons, which, although not enrolled, have a license in force, registered vessels which are not prohibited by law from engaging in the coastwise trade or fisheries, undocumented vessels of less than 5 net tons built in and wholly owned by citizens of the United States, and no others, shall engage in the coastwise trade or in the whaling or other fisheries. Any vessel which engages in the coastwise trade or in the whaling or other fisheries in violation of this section shall, together with her tackle, apparel, furniture, and equipment, be forfeited. But, if the license of any vessel shall have expired while the vessel was at sea, and there shall have been no opportunity to renew such license, then the said forfeiture shall not be incurred.

"'(b) The provisions of subsection (a) shall not apply to any vessel of less than 5 net tons built in the United States which is engaged solely in the fisheries, while owned by a person of any of

the following classes, if, on the date of the enactment of this subsection, that person owned the same or any other such vessel which was then engaged solely in the fisheries:

"'(1) a corporation organized under the laws of the United States or of a State, Territory, District, or possession thereof, which is not a citizen of the United States, until on and after 2 years from such date of enactment;

"'(2) a person not a citizen of the United States who is a citizen of any insular possession of the United States whose citizens owe allegiance to the United States;

"'(3) an alien lawfully admitted for permanent residence in the United States; or

"'(4) any alien (whether or not eligible to become a citizen of the United States) who has been a resident of the United States continuously since July 1, 1925, and who shows to the satisfaction of the Secretary of Commerce that he is a law-abiding resident of the United States of good repute:

Provided, That during any national emergency proclaimed by the President, or whenever the President determines that the interests of the national defense make it advisable, he may, in his discretion, at any time make the provisions of subsection (a) applicable to any vessel exempted therefrom by the foregoing provisions of this subsection. For the purposes of this subsection, the Secretary of Commerce may accept such evidence of lawful admission of an alien to the United States as he may deem satisfactory in lieu of official records of admission.'

"SEC. 3. Nothing in this act or in the amendments made by this act shall, for a period of 2 years, invalidate any register, enrollment and license, or license, heretofore lawfully issued to any vessel.

"SEC. 4. Section 4131 of the Revised Statutes as amended (U. S. C., 1934 ed., title 46, sec. 221), is hereby amended to read as follows:

"'SEC. 4131. Vessels registered pursuant to law, vessels enrolled and licensed or licensed for carrying on the coastwise trade or fisheries, yachts enrolled and licensed or licensed, and no others, shall be deemed "vessels of the United States" and entitled to the benefits and privileges appertaining to such vessels; but no such vessel shall enjoy such benefits and privileges longer than it shall continue to be wholly owned by a citizen or citizens of the United States and commanded by a citizen of the United States. All the officers of "vessels of the United States" who shall have charge of a watch, including mates, pilots, and engineers, shall, in all cases, except as otherwise expressly provided by law, be citizens of the United States. No person shall be qualified to hold a license as a commander or officer of a merchant vessel of the United States who is not a native-born citizen, or whose naturalization as a citizen shall not have been fully completed. In cases where on a foreign voyage any such vessel is for any reason deprived of the services of an officer below the grade of master, his place, or a vacancy caused by the promotion of another officer to such place, may be supplied by a person not a citizen of the United States until the arrival of the vessel at the first port in the United States; and such vessel shall not be liable to any penalty or penal tax for such employment of an alien officer.'

"SEC. 5. Section 4132 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 46, Supp. V, sec. 11), is hereby amended to read as follows:

"'SEC. 4132. The following-described vessels shall, when wholly owned by a citizen or citizens of the United States, and otherwise qualified by law, be entitled to be registered as "vessels of the United States":

"'(a) Vessels built in the United States.

"'(b) Vessels which may be captured in war by citizens of the United States and lawfully condemned as prize.

"'(c) Vessels which may be adjudged to be forfeited for a breach of the laws of the United States.

"'(d) Seagoing vessels of foreign build which have been certified by the Bureau of Marine Inspection and Navigation as safe to carry dry and perishable cargo heretofore admitted to registry as "vessels of the United States" for trade only with foreign countries, with the Philippine Islands, the islands of Guam, Tutuila, Wake, Midway, and Kingman Reef; and if found otherwise engaged, such vessels shall be forfeited.

"'(e) Foreign-built vessels used exclusively for pleasure which have been heretofore documented as "vessels of the United States." Such vessels, if used for any other purpose shall be forfeited.

"'(f) Vessels entitled to be registered under other statutes of the United States.'

"SEC. 6. Section 4137 of the Revised Statutes (U. S. C., 1934 ed., title 46, sec. 15) is hereby amended to read as follows:

"'SEC. 4137. Registers for vessels owned by any incorporated company may be issued in the name of the president or secretary of such company; and such register shall be voided and the vessel forfeited in case of sale or transfer of any share or shares of stock in such company which results in alien ownership or control, directly or indirectly, of a percentage of such stock in excess of the amount permitted by any law relating to the ownership of vessels registered pursuant to the laws of the United States.'

"SEC. 7. Section 4313 of the Revised Statutes (U. S. C., 1934 ed., title 46, sec. 253) is hereby amended to read as follows:

"'SEC. 4313. Enrollments and licenses or licenses for vessels owned by any incorporated company may be issued in the name of the president or secretary of such company; and such enrollments and licenses or licenses shall be voided and the vessel forfeited in case of sale or transfer of any share or shares of stock in such company which results in alien ownership or control, directly or indirectly, of a percentage of such stock in excess of the amount permitted by any law relating to the ownership of vessels engaged in the coastwise trade or in the whaling or other fisheries.'

"SEC. 8. Section 4885 of the Revised Statutes (U. S. C., 1934 ed., title 46, sec. 335) is hereby repealed.

"SEC. 9. The act of April 18, 1874 (U. S. C., 1934 ed., title 46, sec. 336), is amended to read as follows:

"'Sections 4361, 4362, 4363, and 4366 of the Revised Statutes, as amended, shall not be so construed as to apply to canal boats or boats employed on the internal waters or canals of any State; and all such boats, excepting only such as are provided with sails or propelling machinery of their own adapted to lake or coastwise navigation, and excepting such as are employed in trade with the Canadas, shall be exempt from such provisions and from the payment of all customs and other fees under any act of Congress.'

"SEC. 10. The act of June 30, 1879 (U. S. C., 1934 ed., title 46, sec. 332), is hereby amended to read as follows:

"'The provisions of title 50 of the Revised Statutes of the United States shall not be so construed as to require the payment of any fee or charge for the enrolling or licensing of vessels built in the United States and owned by citizens thereof, not propelled by sail or internal motive power of their own, and not in any case carrying passengers, whether navigating the internal waters of a State or the navigable waters of the United States, and not engaged in trade with contiguous foreign territory.'

"SEC. 11. Nothing contained in this act or in the amendments made by this act shall be deemed to alter, amend, or repeal section 4367, 4368, 4369, or 4370 of the Revised Statutes (U. S. C., 1934 ed., title 46, sec. 313, 314, 315, or 316); section 27 of the Merchant Marine Act, 1920, as amended (U. S. C., 1934 edition, Supp. V, title 46, sec. 883); section 442, 443, 444, 445, or 446 of the Tariff Act, 1930 (U. S. C., 1934 ed., title 19, sec. 1442, 1443, 1444, 1445, or 1446); any other statute of the United States permitting the transportation of passengers or merchandise between points in the United States including districts, territories, or possessions thereof, embraced within the coastwise laws, in a foreign vessel; section 4214 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 46, sec. 103); section 9 of the Shipping Act, 1916, as amended (U. S. C., 1934 ed., title 46, sec. 808); section 22 of the Merchant Marine Act, 1920, as amended (U. S. C., 1934 ed., title 46, sec. 13); the Ship Mortgage Act of 1920 (U. S. C., 1934 ed., title 46, ch. 25); section 5 of the act of June 25, 1936 (U. S. C., 1934 ed., Supp. V, title 46, sec. 672a); or section 302 of the Merchant Marine Act, 1936, as amended (U. S. C., 1934 ed., Supp. V, title 46, sec. 1132).

"SEC. 12. The Secretary of Commerce shall promulgate appropriate regulations for effectuating the provisions of this act and of the amendments made by this act.

"SEC. 13. If any provision of this act, or the application thereof to any person or circumstance is held invalid, the remainder of the act, and the application of the provisions thereof, shall not be affected thereby."

Mr. BLAND. Mr. Speaker, I offer the amendments which have been sent to the Clerk's desk.

The Clerk read as follows:

Amendments to the committee amendment offered by Mr. BLAND: Page 13, strike out lines 16 to 19, inclusive, and insert in lieu thereof the following:

"(2) A resident of the United States who is not a citizen of the United States but who is a citizen of any insular possession of the United States whose citizens owe allegiance to the United States."

Page 16, between lines 1 and 15, insert the following:

"(e) Seagoing vessels of foreign build hereafter certified by the Bureau of Marine Inspection and Navigation as safe to carry dry and perishable cargo which are to engage only in trade with foreign countries, with the Philippine Islands, the islands of Guam, Tutuila, Wake, Midway, and Kingman Reef, and if found otherwise engaged such vessels shall be forfeited: *Provided, however,* That no such vessel shall hereafter be admitted to registry as a "vessel of the United States" unless the admission to registry thereof shall be approved jointly by the United States Maritime Commission, the Navy Department, and the Department of Commerce after consultation by the Maritime Commission with the State Department and such other agencies as the Maritime Commission may deem advisable and, with the approval of the President of the United States, shall be found to be in the interest of the foreign trade or the national defense of the United States."

Page 18, line 21, after "Sec. 11", insert "(a)."

Page 19, beginning in line 1, strike out all after the semicolon down to and including the semicolon in line 3.

Page 19, after line 19, insert the following:

"(b) The right of any vessel to engage in transportation which prior to the enactment of this act would be permitted only by the second proviso of section 27 of the Merchant Marine Act, 1920, as amended, and to be documented under the laws of the United States for the purpose of engaging only in such transportation, or the right of any foreign vessel to engage in such transportation, shall, notwithstanding any provision of this act or of any amendment made by this act, be determined as if this act had not been enacted: *Provided, however,* That such vessel, if so documented under the laws of the United States, shall be forfeited if used in transportation not permitted by the second proviso of section 27 of the Merchant Marine Act, 1920, as amended: *Provided further,* That such vessel, if not a vessel of the United States, shall be subject to all of

the applicable provisions of this act, and amendments made by this act, if used in any other transportation than that permitted by the second proviso of section 27 of the Merchant Marine Act, 1920, as amended.

"(c) In the case of car ferry complying with all of the conditions and requirements of the last proviso of section 27 of the Merchant Marine Act, 1920, as amended, except the requirement relating to documentation, notwithstanding any other provision of this act, or of any amendment made by this act, the right of such car ferry to be documented under the laws of the United States for the purpose of engaging only in transportation permitted by that proviso, and only as a part of rail routes permitted by that proviso, and to engage in such transportation, shall be determined as if this act had not been enacted: *Provided, however,* That such car ferry, if so documented and used in transportation not permitted by such proviso, or if so documented and operated over any route not permitted by such proviso, shall be forfeited."

The amendments to the committee amendment were agreed to.

The committee amendment, as amended, was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read:. "A bill to require vessels engaging in the coastwise trade or in the whaling or other fisheries to be wholly owned by citizens of the United States, and for other purposes."

CONFERENCE REPORT ON TAX BILL

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a conference report on the tax bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

There was no objection.

CONSENT CALENDAR

CITIZEN REQUIREMENT FOR MANNING OF VESSELS

The Clerk called the next bill, H. R. 9918, relating to citizenship requirement for manning of vessels, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, reserving the right to object, will the gentleman explain this bill in reference to citizenship?

Mr. BLAND. Mr. Speaker, the purpose of this bill with reference to citizenship is to provide that at least 75 percent of the men engaged shall be citizens of the United States. Then there is the 25 percent that may be taken from special classes that are mentioned in the bill in order to protect against any injustice. It is to increase the percentage of Americans that are employed on these ships.

Mr. RICH. I congratulate the gentleman on that; but I would like to know what the gentleman and his committee is doing to get rid of the "fifth column" element—men who are against our form of government and who are being employed on vessels in coastwise trade? What are you doing to get them out of the service?

Mr. BLAND. We are still facing a very difficult problem. First, there is the Dies committee that is examining those things. I have talked with the gentleman from Alabama [Mr. STARNES] and representatives of the Dies committee to follow up their investigation. Under authority that has been granted by this House, I am having a clerk go over the hearings of the Dies committee to get leads there. Authority has been given the Bureau of Marine Inspection for checking up on the men to whom licenses have been granted, and with these various agencies we have been given authority to hold hearings on this matter. Of course, I have opposed the adjournment of Congress, and that has interfered with our hearings, but we expect there will be time to go more fully into that. With the delicate situation such as we have, I feel I may safely say that everything is being done that can be done without too much hullaballoo, which is very undesirable in matters of that kind, and especially if we wish to ferret out those people.

Mr. RICH. I feel the gentleman will give every attention to that which he possibly can, because if we have any "reds" or "fifth columnists" in our seagoing forces we ought to clean them out, and the quicker we do it the better.

Mr. BLAND. I am heartily in accord with that, and I do think that if many of the American seamen could ever be made to realize this problem—and they are patriotic, loyal, law-abiding men—they would help to clean it out themselves.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Michigan.

Mr. CRAWFORD. May I ask the gentleman, what is the relationship of this bill to the requirements which were carried in the Merchant Marine Act of some 3 or 4 years ago?

Mr. BLAND. Nothing with reference to the subsidy.

Mr. CRAWFORD. What requirements were there in the Merchant Marine Act governing the percentage of American citizenship we should have in our merchant-marine crews?

Mr. BLAND. We do not interfere with that. We leave it as it is.

Mr. CRAWFORD. What was the percentage?

Mr. BLAND. We are requiring 100 percent on cargo vessels—I am speaking now of subsidized vessels—and 90 percent on passenger vessels; the 10 percent is to be made up in the steward's department, where we find it is not practicable now to get 100-percent American citizens. This is intended to bring the other ships up more nearly to the provisions that we have in the merchant marine.

Mr. CRAWFORD. But it is being limited to 75 percent?

Mr. BLAND. Yes. It is very questionable whether we could go further than that at this time.

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. May I inquire of the chairman of the committee why there is no saving clause in the case of fishing vessels where they are unable to get native citizens to man the boats?

Mr. BLAND. If the gentleman will permit, I have an amendment that I am sending to the Clerk's desk which will make the saving clause applicable as to fishing vessels and vessels other than foreign vessels, because I realize that the situation is doubtful in that respect.

Mr. BATES of Massachusetts. I thank the gentleman.

Mr. MASSINGALE. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Oklahoma.

Mr. MASSINGALE. I am entirely ignorant of shipping matters, but I should like to know why it is that we have to make the limit for these employees 75 percent of American citizenship. Why cannot we make it 100 percent?

Mr. BLAND. I introduced a bill to that effect and I hope we will ultimately come to that, but there is a serious question with respect to the fishing vessels and these other vessels. There are a number of people who are law abiding and yet are not citizens. I refer to the men in the steam schooners on the Pacific coast who have been here before 1930. There are also some men up along the Massachusetts coast similarly situated. They have not so complied with the law that they can now become naturalized, but they have been here 25 or 30 years and have raised children. We are permitting them to show that. They are good, law-abiding residents, and it would be an injustice to them to cut them out. We have tried without doing an injustice to anybody or to the industry to pave the way so that we may ultimately have 100-percent American citizenship on these vessels, and I hope we may.

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. In regard to the fishing vessels, may I say that the native-born men will not in many cases go out with the crew? We must have some latitude.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all officers, pilots, and crew (crew including all employees of the vessel) of vessels documented under the laws of the United States, and of undocumented vessels owned in

the United States, shall be citizens of the United States, either native-born or completely naturalized: *Provided*, That the provisions of this act shall not apply to—

(1) Public vessels other than those engaged in commercial service;

(2) Vessels not exceeding 16 feet in length measured from end to end over the deck excluding sheer, temporarily equipped with detachable motors;

(3) Sailboats not more than 16 feet in length measured from end to end over the deck excluding sheer;

(4) Rowboats, canoes, and other like non-self-propelled small craft.

SEC. 2. If, with respect to the crew of any vessel subject to the provisions of this act (except a cargo vessel in respect of which a construction or operating subsidy has been granted in accordance with the provisions of the Merchant Marine Act of 1936, as amended) the Secretary of Commerce shall, upon investigation, ascertain that qualified citizens are not available, he may, if he deems such action proper and in keeping with the purpose of this act, reduce the percentage of citizens required by section 1 hereof to not less than 90 percent of such crew, or lower in the case of the crew of a fishing vessel, and any person not required to be a citizen must, as a prerequisite to employment on board any such vessel, be in possession of a valid certificate of declaration of intention to become a citizen of the United States, or other evidence of legal admission into the United States for permanent residence, or a certificate, issued by the Attorney General of the United States under such rules and regulations as he may require, certifying that said person has been admitted into the United States for permanent residence. In the case of passenger vessels in respect of which a construction or operation subsidy has been granted in accordance with the provisions of the Merchant Marine Act of 1936, as amended, such members of the crew who are not citizens of the United States may be employed only in the steward's department.

SEC. 3. If any vessel while on a foreign voyage, or in the Panama Canal Zone, is for any reason deprived of the services of any member of the crew below the grade of master, such position or vacancy caused by the promotion of another to such position may be supplied by a person other than as defined in sections 1 and 2 hereof until the first call of such vessel at a port in the United States where such replacements as will comply with the provision of this act can be obtained.

SEC. 4. The owner, agent, or officer of any such vessel who shall employ or permit any person to serve in violation of the provisions of this act shall be liable for each offense to a penalty of $500, or imprisonment for 1 year, or both.

SEC. 5. Any person employed or serving on any such vessel in violation of the provisions of this act shall be punished by a fine not exceeding $100 or imprisonment not exceeding 1 year, or both.

SEC. 6. The Secretary of Commerce shall make such regulations as may be necessary to carry out in the most effective manner the provisions of this act and to secure its proper enforcement by collectors of customs and other officers and employees of the United States designated by the Secretary of Commerce for such purpose.

SEC. 7. During any national emergency, as proclaimed by the President, he may, in his discretion, suspend any or all of the provisions of this act.

With the following committee amendment:

Page 1, beginning in line 3, strike out all after the enacting clause, and insert the following:

"That this act may be cited as the 'Citizen Manning of Vessels Act of 1940.'

"CITIZENSHIP OF MASTERS, OFFICERS, AND SO FORTH

"SEC. 2. The master or person in charge of every vessel documented under the laws of the United States and of every undocumented vessel owned in the United States, and each licensed officer, each pilot, each officer in charge of a watch (including mates and engineers) on any such vessel, and each licensed motorboat operator of any such vessel, shall be a citizen of the United States, native-born or completely naturalized.

"CITIZENSHIP OF CREW—UNSUBSIDIZED VESSELS

"SEC. 3. (a) This section shall apply to all vessels documented under the laws of the United States and all undocumented vessels owned in the United States in respect of which neither a construction nor operating subsidy has been granted under the Merchant Marine Act of 1936, as amended.

"(b) At least 75 percent of the crew of each vessel to which this section applies shall be citizens of the United States, native-born or completely naturalized.

"(c) Any member of the crew of any vessel to which this section applies who is not a citizen of the United States shall be either—

"(1) An individual who is a citizen of an insular possession of the United States whose citizens owe allegiance to the United States; or

"(2) An alien lawfully admitted prior to July 1, 1930, for permanent residence in the United States who has been a resident of the United States continuously since such date; or

"(3) An alien (whether or not eligible to become a citizen of the United States) who has been a resident of the United States continuously since July 1, 1925, and who shows to the satisfaction of the Secretary of Commerce that he is a law-abiding resident of the United States of good repute.

"(d) As used in this section, 'crew' in the case of any vessel means all employees (including all persons sharing in the lay on fishing vessels) of the vessel exclusive of the master or person in charge thereof, and exclusive of pilots, licensed officers, and officers in charge of a watch thereon.

"(e) Whenever the Secretary of Commerce, upon investigation, is of the opinion, in the case of any vessel to which this section applies, that qualified citizens are not available in sufficient numbers, he may, in his discretion, reduce the percentage of citizens required by subsection (b) to such percentage lower than 75 percent as he deems necessary for such periods as he may by regulations or order prescribe. Whenever the Secretary of Commerce, upon investigation, is of the opinion, in the case of any such vessel engaged in the foreign trade, that qualified individuals of the classes described in subsection (c) are not available in sufficient numbers, he may, in his discretion, permit the employment of such other classes of individuals not citizens of the United States, for such periods, as he may by regulations or order prescribe.

"FILLING VACANCIES ON FOREIGN VOYAGES

"SEC. 4. If any vessel, to which section 2 or section 3 is applicable, while on a foreign voyage or in the Panama Canal Zone is for any reason deprived of the services of any employee below the grade of master, his place or a vacancy caused by the promotion of another to his place may be supplied by a person not a citizen of the United States until the first call of such vessel to a port in the United States where such replacements as will comply with the provisions of those sections can be obtained.

"EXEMPTIONS OF CERTAIN VESSELS

"SEC. 5. The provisions of section 2 and section 3 shall not apply to—

"(a) Public vessels other than those engaged in commercial service;

"(b) Vessels not exceeding 16 feet in length measured from end to end over the deck, excluding sheer, temporarily equipped with detachable motors;

"(c) Sailboats not more than 16 feet in length measured from end to end over the deck, excluding sheer;

"(d) Rowboats, canoes, and other like non-self-propelled small craft.

"CITIZENSHIP OF CREW—SUBSIDIZED VESSELS

"SEC. 6. For citizenship requirements in the case of the crews of vessels in respect of which a construction or operating subsidy has been granted, see section 302 of the Merchant Marine Act of 1936, as amended.

"CITIZENSHIP OF STAFF OFFICERS

"SEC. 7. For citizenship requirements with respect to staff officers of certain vessels, see the act entitled 'An act to provide for the registry of pursers and surgeons as staff officers on vessels of the United States, and for other purposes,' approved August 1, 1939.

"EMERGENCY POWER OF PRESIDENT

"SEC. 8. During any national emergency proclaimed by the President, or whenever the President determines that the interest of the national defense makes it advisable, the President may, in his discretion, suspend any or all of the provisions of sections 2, 3, 4, and 5 of this act.

"AMENDMENTS AND REPEALS

"SEC. 9. (a) Section 5 of the act entitled 'An act to amend section 13 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea"; to maintain discipline on shipboard; and for other purposes,' approved June 25, 1936 (U. S. C., 1934 ed., supp. V, title 46, sec. 672a), is hereby repealed.

"(b) The second sentence of section 3 of the act entitled 'An act to amend section 4100 and 3100 of the Revised Statutes of the United States, to improve the merchant-marine engineer service and thereby also to increase the efficiency of the Naval Reserve, and for other purposes,' approved May 28, 1896 (29 Stat. 189), is hereby repealed.

"(c) The provisions of section 2 of this act shall apply in respect of a vessel to which section 302 of the Merchant Marine Act of 1936, as amended, applies, only to the extent that requirements contained in section 2 of this act are not contained in section 302 of the Merchant Marine Act of 1936, as amended.

"ENFORCEMENT

"SEC. 10. The Secretary of Commerce shall enforce sections 2, 3, and 4 of this act through collectors of customs and other Government officers acting under the direction of the Bureau of Marine Inspection and Navigation, and shall make such rules and regulations as he may deem necessary to carry out the provisions of this act.

"PENALTIES

"SEC. 11. (a) The owner, agent, or officer of any vessel to which section 2 or section 3 is applicable who knowingly employs or permits any person to serve in violation of the provisions thereof shall, upon conviction thereof, be subject to a fine of not more than $500 for each offense, for the payment of which the vessel shall be liable, or to imprisonment for not more than 1 year, or to both such fine and imprisonment.

"(b) Any person knowingly serving on any vessel to which section 2 or section 3 is applicable in violation of the provisions thereof shall, upon conviction thereof, be subject to a fine of not more than $100, or to imprisonment for not more than 1 year, or to both such fine and imprisonment.

"SEPARABILITY

"SEC. 12. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the

act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

"EFFECTIVE DATE

"SEC. 13. This act shall take effect 90 days after the date of its enactment, except sections 3 (e) and 10, which shall take effect immediately."

Mr. BLAND. Mr. Speaker, I offer certain amendments to the committee amendment.

The Clerk read as follows:

Amendments offered by Mr. BLAND to the committee amendment: Page 4, following the period in line 18, insert the following new sentence: "Whenever the Secretary of Commerce, upon investigation, is of the opinion, in the case of any fishing vessel which is of less than 200 gross tons and which is not required by law to be inspected, or any group of such vessels, or any industry, that qualified engineer-watch officers are not available in sufficient numbers, he may, in his discretion, permit the employment of such classes of individuals not citizens of the United States, and not disqualified by law for such employment, for such periods, as he may by regulations or order prescribe."

Page 5, following the period in line 23, add the following: "The bargee on an unrigged vessel which is not subject to the inspection laws shall be considered a member of the crew."

Page 6, line 1, following the word "vessel", insert a comma and the following: "or any group of vessels, or any industry."

Page 6, line 8, following the word "vessels", insert a comma and the following: "or any group of vessels, or any industry."

Page 6, line 9, strike out the following: "engaged in the foreign trade."

Page 6, line 13, following the comma after the words "United States", insert "and not disqualified by any other law for such employment."

The amendments to the committee amendment were agreed to.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXPEDITING MARITIME COMMISSION SHIPBUILDING

The Clerk called the next bill, H. R. 10380, to expedite national defense, by suspending, during the national emergency, provisions of law that prohibit more than 8 hours' labor in any 1 day of persons engaged upon work covered by contracts of the United States Maritime Commission, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to ask the gentleman a question. We have been trying for the past several years to create the 8-hour day so we can give jobs to all men who want them and get them off of relief. Why would it not be a good thing to continue that policy that we have been working on and try to get these men jobs in industry and thus take them off of the W. P. A. and P. W. A. and other Government agencies?

Mr. BLAND. If the gentleman will pardon just there, there was passed by this House in June and approved on June 28, 1940, a bill which contained the following language:

During the national emergency, declared by the President on September 8, 1939, to exist, provisions of law prohibiting more than 8 hours' labor in any 1 day of persons engaged upon work covered by the Army, Navy, and Coast Guard contracts shall be suspended—

And then there was another provision that—

the provisions of all preceding sections of this act shall terminate June 30, 1942, unless the Congress shall otherwise provide.

Now, as the gentleman will notice, that relates to the work of the Army, Navy, and Coast Guard. The result is that now you have this situation in your shipbuilding plants. You will have a shipbuilding plant that is engaged on Army, Navy, and Coast Guard work and merchant marine work for the Maritime Commission, and you have a law requiring the men on the merchant ships, and probably ships that are essential to national defense or for other purposes, limited to an 8-hour day, while in the same yard and in other yards, you permit men engaged in Army, Coast Guard, or Navy work to work longer than 8 hours. The result is, of course, that men will be going to those places where they can get their overtime. This measure simply makes the work for the Maritime Commission conform with the work for the Army, Navy, and the Coast Guard.

The American Federation of Labor and some other gentlemen were concerned about the bill as it was first prepared and they said, "You are going to wipe out overtime; you are going to change it as to hours and wages in a very little while." We saw what was their difficulty and we said, "Sit down around the table; we do not intend that. We intend that they shall get their overtime; we intend that the only thing that shall be removed is the discrepancy between Maritime Commission work and Army and Navy work." In this way we worked out this amended bill which was satisfactory to them.

Mr. RICH. If the gentleman and the Congress and the American Federation of Labor and all the organizations are desirous of having an 8-hour day, why are we so much more interested in overtime? What I am trying to do is to get the 8-hour day so we can put all men to work in industry and take them off the Government pay roll. That is one way you are going to get the money. If we are going to think only in terms of overtime, I think we will defeat the purpose of trying to keep everybody in this country busy.

Mr. BLAND. But do not let us discriminate against one class of work in favor of another, and what we are doing here is to put it all on a parity in this respect until 1942. The gentleman from Pennsylvania is too good a businessman to fail to recognize what the trouble would be otherwise.

Mr. RICH. I think it is a wise provision to try to make everything uniform, but let us not overlook the fact that we want to get these men jobs, and whenever we say that because they are engaged now in some essential for war we will not let down the bars, then we are defeating our purpose in trying to make more jobs.

Mr. BLAND. This applies to skilled labor and they are not eligible under the W. P. A. to do the work required here.

Mr. CRAWFORD. Mr. Speaker, reserving the right to object, I wish to ask the chairman of the committee one or two questions. Do I understand that as the law now stands it is absolutely illegal for more than 8 hours' work to be required of a worker in 1 day on work of the United States Maritime Commission?

Mr. BLAND. That is provided in the contract and it is illegal.

Mr. CRAWFORD. It is illegal even if you pay overtime?

Mr. BLAND. It is illegal if you pay overtime, while this measure permits overtime to be paid.

Mr. CRAWFORD. Then this bill removes that restriction?

Mr. BLAND. That is all.

Mr. CRAWFORD. They can work 12 or 14 hours a day, conditioned on paying the time-and-a-half for overtime?

Mr. BLAND. But limited to the contract of the organization with the ship company as provided in the language—

Nothing in this act shall be construed to modify any contracts between management and labor in shipyards which provide for conditions more favorable to labor than the minimum provisions as to hours per day and hours per week, and for overtime provided in this act.

Mr. CRAWFORD. Let me ask the gentleman this question. Suppose that same shipyard was building a bottom for a private operator, that is in no way connected with the Government itself or the Maritime Commission, and that shipbuilding concern proceeded to work the men on that private bottom that is being built more than 8 hours a day, would they be paid for overtime?

Mr. BLAND. That is a matter between the organization and the shipyard, a private matter, not regulated by law. We are here trying to make the law uniform.

Mr. CRAWFORD. And there is no Federal law that enters into that at all?

Mr. BLAND. I think not, unless there is general legislation.

Mr. VOORHIS of California. Mr. Speaker, reserving the right to object, there is one matter I want to clear up in

my own mind. Do I understand that this bill lifts a prohibition against working more than 8 hours, but does not change the provision for the payment of overtime?

Mr. BLAND. The language is:

Provided, That the wages of every laborer and mechanic employed by any contractor or subcontractor engaged in the performance of any such contract, shall be computed on a basic rate of 8 hours per day and 40 hours per week, and work in excess of 8 hours per day or 40 hours per week shall be permitted upon compensation for all hours worked in excess of 8 hours per day or 40 hours per week at not less than one and one-half times the basic rate of pay.

They wanted that provision in. We thought that was implied in the bill, and we said that we would put it affirmatively in this measure so that there could be no question about it.

Mr. MICHENER. Reserving the right to object, Mr. Speaker, I wonder if the gentleman will not accept an amendment? I am in sympathy with the purpose of the bill, but I am not in sympathy with the first two lines, which provided "During the national emergency declared by the President on September 8, 1939, to exist." In lieu of that language, I would suggest this, "That until otherwise provided by law, the provisions of law prohibiting," and so forth, "shall be suspended."

Mr. BLAND. I am perfectly willing, if that does not conflict with section 4, which provides that the provisions of this act shall terminate on June 30, 1942.

Mr. MICHENER. I am sure that it should not.

Mr. BLAND. I am willing to accept the gentleman's amendment.

Mr. MICHENER. But I want to state my reasons for making the request to which the gentleman has acceded.

The gentleman well knows what I am aiming at, but it is well that the RECORD show it, I have made a fight two or three times against clauses of this sort in bills, the purpose of which was to validate and make legal the President's declaration of September 8, 1939 that a "limited emergency" existed. I repeat, that the President has not authority to declare a limited emergency. The President of the United States can only declare an emergency when authorized so to do by the Constitution or the Congress. Neither the Constitution nor the Congress authorized the President to make that declaration of "limited emergency," but ever since that declaration was made there has been an insistent effort, every time a bill comes up here dealing with national defense, to include a provision that that limited emergency declared on the 8th day of September 1939 be validated. One of the legal representatives from one of the departments, was before the Judiciary Committee the other day who indicated that if this provision were in the bill, then, when the President wanted to use emergency powers he would have authority, without compelling the Attorney General to look through the World War statutes to see if he could not find some emergency power on which the President might predicate the contemplated action.

Mr. BLAND. I will accept the amendment if the gentleman will offer it.

Mr. MICHENER. Then I will quit talking.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. CHURCH. Mr. Speaker, reserving the right to object, may we have the form of the amendment, if we are going to accept the bill? It may be that the amendment to be offered is in effect contrary to section 4 of the bill. I reserve the right to object until I know the form of the amendment.

Mr. BLAND. I will offer this amendment: Page 2, line 8, in the amendment, which has been proposed, strike out "during the national emergency declared by the President on September 8, 1939," and insert "until June 30, 1942."

Mr. MICHENER. That would cover the matter perfectly.

The SPEAKER pro tempore. Is there objection?

Mr. SCHAFER of Wisconsin. Reserving the right to object, in order to ask a brief question. We now have about 11,000,000 unemployed people in the United States. Under the language of this bill, is it possible to work the workers in the navy yards and shipyards 16 hours a day with time and a half for overtime at an additional cost to our almost bankrupt Federal Treasury and at the same time have that Treasury called upon to provide additional funds to keep additional unemployed people on the W. P. A. or on relief?

Mr. BLAND. If that is so, it is already passed and in the law. We are only dealing with the Maritime Commission contracts.

Mr. SCHAFER of Wisconsin. Well, is it proposed to limit this time and a half only to cases where they cannot get sufficient people to employ a double or a triple shift on these jobs?

Mr. BLAND. There is no question about that. The question now is to get skilled labor. W. P. A. men cannot work on these jobs.

Mr. SCHAFER of Wisconsin. In every recent Labor Board civil-service examination they have thousands of applicants for skilled and unskilled work in the navy yards.

Mr. BLAND. We have no trouble about that.

Mr. SCHAFER of Wisconsin. Is the gentleman certain that this is not going to be a general policy, and does the gentleman believe that those in charge of this work will generally employ skilled labor at 8-hour shifts and that they will only resort to 16-hour shifts with time and a half for overtime when they cannot get sufficient skilled labor?

Mr. BLAND. I think the provisions of this law permit the organizations to decide that. I do not think a condition of that kind will ever arise.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That during the national emergency, declared by the President on September 8, 1939, to exist, provisions of law prohibiting more than 8 hours' labor in any one day of persons engaged upon work covered by United States Maritime Commission contracts for the construction, alteration, or repair of vessels shall be suspended: *Provided,* That the provisions of this act shall terminate June 30, 1942, unless the Congress shall otherwise provide.

SEC. 2. The United States Maritime Commission is hereby authorized to modify existing contracts for the construction, alteration, or repair of vessels as it may deem necessary to expedite military and naval defense, and to otherwise effectuate the purposes of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That during the national emergency, declared by the President on September 8, 1939, to exist, provisions of law prohibiting more than 8 hours' labor in any one day of persons engaged upon work covered by United States Maritime Commission contracts for the construction, alteration, or repair of vessels shall be suspended: *Provided,* That the wages of every laborer and mechanic employed by any contractor or subcontractor engaged in the performance of any such contract shall be computed on a basic rate of 8 hours per day and 40 hours per week and work in excess of 8 hours per day or 40 hours per week shall be permitted upon compensation for all hours worked in excess of 8 hours per day or 40 hours per week at not less than one and one-half times the basic rate of pay.

"SEC. 2. The United States Maritime Commission is hereby authorized to modify its existing contracts for the construction, alteration, or repair of vessels as it may deem necessary to expedite national defense, and to otherwise effectuate the purposes of this act.

"SEC. 3. Nothing in this act shall be construed to modify any contracts between management and labor in shipyards which provide for conditions more favorable to labor than the minimum provisions as to hours per day and hours per week and for overtime provided in this act.

"SEC. 4. The provisions of this act shall terminate June 30, 1942, unless the Congress shall otherwise provide."

The Clerk read as follows:

Amendment offered by Mr. BLAND to the committee amendment: On page 2, beginning in line 8, strike out all of line 8 down through the word "exist" in line 9 and insert "until June 30, 1942."

The amendment to the amendment was agreed to.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read the third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WATER CONSERVATION AND UTILIZATION

The Clerk called the next bill, H. R. 10122, to amend an act entitled "An act authorizing construction of water conservation and utilization projects in the Great Plains and arid and semiarid areas of the United States," approved August 11, 1939 (53 Stat. 1418), and an act entitled "An act to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes," approved August 28, 1937 (50 Stat. 869).

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I understand the gentleman from Montana has an amendment.

Mr. O'CONNOR. Yes; I have, Mr. Speaker, to page 9, section 5.

Mr. COCHRAN. Mr. Speaker, reserving the right to object, does the gentleman's proposed amendment have the approval of the Department of the Interior?

Mr. O'CONNOR. They approved the bill as passed by the committee.

Mr. COCHRAN. I understand that, but does the gentleman know whether they would approve the bill as modified by the amendment he now proposes?

Mr. O'CONNOR. I may say to the gentleman that this is a clarifying or a minor amendment. The bill provides that the units of the irrigable lands shall be of not more than 160 acres and that no water may be delivered to or for more than the farm unit area of irrigable lands in the project owned by a single landowner and that the landowner would have 3 years in which to dispose of any excess land.

This amendment is designed to clarify the operation of the act in respect to lands in excess of 160 acres, so as to permit the landowner to retain the land holdings, but limit the water to be received to the amount necessary for 160 acres. In other words, water is made the yardstick instead of acres.

The act will work out more practically with this clarification, as in many instances in rough country it is necessary to take pieces or parcels out of a whole section of land to make a total of 160 acres of irrigable land.

Mr. COCHRAN. Is it necessary?

Mr. O'CONNOR. I hardly think it is, but others do.

Mr. COCHRAN. Then why put it in?

Mr. O'CONNOR. If the gentleman will pardon me, this amendment is offered at the request of the gentleman from Colorado [Mr. LEWIS] and the gentleman from Colorado [Mr. TAYLOR]. They thought it would be better to have the purpose expressed in clearer language so there could be no misunderstanding about it.

Mr. COCHRAN. In view of the fact that the gentlemen from Colorado [Mr. TAYLOR and Mr. LEWIS], as well as yourself, approve it, I shall not press my objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act authorizing construction of water conservation and utilization projects in the Great Plains and arid and semiarid areas of the United States," approved August 11, 1939 (53 Stat. 1418), is hereby amended to read as follows:

"SECTION 1. For the purpose of stabilizing water supply and thereby rehabilitating farmers on the land and providing opportunities for permanent settlement of farm families the Secretary of the Interior (hereinafter referred to as "the Secretary") is hereby authorized to investigate and, upon compliance with the provisions of this act, to construct water conservation and utilization projects in the Great Plains and arid and semiarid areas of the United States, and to operate and maintain each such project in accordance with the provisions of this act: *Provided*, That the United States shall retain title to the dams, reservoirs, irrigation, and other project works until Congress otherwise provides: *And provided further*, That expenditures from appropriations made directly pursuant to the authority contained in section 12 (1) to meet reimbursable construction costs allocated to irrigation as defined in section 4 (b) shall not exceed $1,000,000 for dams and reservoirs in any one project.

"SEC. 2. In connection with the investigation, construction, or operation and maintenance of a project, pursuant to the authority of this act, the Secretary is authorized to utilize (1) in such manner as the President may direct, services, labor, materials, or other property, including money, supplied by the Work Projects Administration, the Civilian Conservation Corps, the Office of Indian Affairs, the Farm Security Administration, or any other Federal agency, for which the United States shall be reimbursed in such amounts as the President may fix for each project, within the limits of the water users' ability to repay costs as found by the Secretary under subsection 3 (a) (iv); and (2) such services, labor, materials, easements, or property, including money, as may be contributed by any State or political subdivision thereof, State agency, municipal corporation, or other organization, or individuals, if, in the judgment of the Secretary, the acceptance thereof will not impair the title of the United States to the project works and will not reduce the probability that the project water users can meet the obligations to the United States entered into pursuant to this act. Moneys received and accepted under (2) of this section shall be and remain available for expenditure for the purposes for which contributed in like manner as if said sums had been specifically appropriated for said purposes.

"SEC. 3. (a) No construction of a project may be undertaken pursuant to the authority of this act unless and until the Secretary has made an investigation thereof and has submitted to the President his report and findings on—

"(i) the engineering feasibility of the proposed construction;

"(ii) the estimated cost of the proposed construction;

"(iii) the part of the estimated cost which properly can be allocated to irrigation;

"(iv) the part of the estimated cost which probably can be repaid by the water users in accordance with the requirements of section 4;

"(v) the part of the estimated cost which can properly be allocated to municipal or miscellaneous water supplies or power and probably be returned to the United States in revenues therefrom;

"(vi) the part of the estimated cost which can properly be allocated to the irrigation of Indian trust and tribal lands, and which can probably be returned by the Office of Indian Affairs;

"(vii) the part of the estimated cost which can properly be allocated to flood control as recommended by the Chief of Engineers, War Department."

In connection with each such investigation, report, and finding, the Secretary shall consult with the Secretary of Agriculture regarding participation in the proposed project by the Department of Agriculture under the authority of sections 5 and 6; and the Secretary shall also transmit to the President a report on the participation, if any, which the Secretary of Agriculture may wish to provide. The project shall be deemed authorized and may be undertaken pursuant to this act if (1) the Secretary finds and certifies to the President that the project has engineering feasibility and that the water users probably can repay, in accordance with the requirements of section 4, an amount equal to or in excess of that part of the estimated cost allocated by him to irrigation to be met by expenditure of moneys appropriated pursuant to section 12 (1); and (2) the President has approved said report and findings and has found that services, labor, materials, easements, and other property, including money, for the construction of the project, should be made available to the Department of the Interior by the Work Projects Administration or other Federal agencies, to the extent found necessary by the Secretary to make up the difference between the estimated cost of project construction and (i) the part thereof to be met by expenditure of moneys appropriated pursuant to section 12 (1), together with (ii) such services, materials, money, easements, and other property as non-Federal agencies or parties have agreed to contribute and the Secretary has found acceptable under section 2.

"(b) No actual construction of the physical features of a project, which meets the requirements of subsection (a) shall be undertaken unless and until (1) rights-of-way and other interests in land deemed by the Secretary to be necessary for the construction and operation of the major features of the project works have been secured, with titles or easements and at prices satisfactory to the Secretary; and (2) the Secretary has found (i) that water rights adequate for the purposes of the project have been acquired with titles and at prices satisfactory to him, or have been initiated and can be perfected in conformity with State law and in a manner satisfactory to him; and (ii) that such water rights can be utilized for the purposes of the project in conformity with State law and in a manner satisfactory to him.

"SEC. 4. (a) No water for irrigation may be delivered from the works of any project constructed under the authority of this act until after the repayment contract or contracts required by this section have been executed. Where practicable in the judgment of the Secretary, the repayment contract shall be with a water users' organization or organizations satisfactory in form and powers to the Secretary; and otherwise the repayment contract shall be with the individual landowners. The contract or contracts shall contain such provisions as the Secretary deems necessary to carry out the purposes of this act and to protect the interests of the United States.

"(b) The term 'reimbursable construction costs' as used in this act means that part of the costs of investigating, constructing, and operating and maintaining the project, which are allocated by the Secretary to irrigation, and which are met by expenditures of moneys therefor appropriated under the authority of section 12 (1), plus such amounts as the President, under section 2 (1), may determine to be reimbursable: *Provided*, That administrative expenses incurred in the District of Columbia in connection with the investigation, construction, or operation and maintenance of a project shall not be included in the reimbursable construction costs nor shall they be charged to the water users in any way.

"(c) The repayment contract or contracts for a project shall, in their aggregate, provide for repayment to the United States of the total amount of the reimbursable construction costs of the project allocated to irrigation. Each such contract shall provide, among other things, that—

"(1) The Secretary shall fix a development period for each project of not to exceed 10 years from and including the first calendar year in which water is delivered for the lands in said project; and during the development period water shall be delivered to the lands in the project involved at a charge per acre-foot, or other charge, to be fixed by the Secretary each year and to be paid in advance of delivery of water. Such charges shall be fixed with a view of returning such amounts as in the Secretary's judgment are justified by the rate of project development, including as a minimum the return over the full development period of that part of the cost of operating and maintaining the project, during said period, allocated by the Secretary to irrigation; and collections of such charges in excess of the cost of the operation and maintenance during the development period, as thereafter determined by the Secretary, shall be credited to the reimbursable construction costs of the project in the manner determined by the Secretary.

"(2) The United States shall operate and maintain the project during the development period fixed for it. After the development period, the United States shall operate and maintain the project or any part thereof as long as is deemed necessary by the Secretary, and shall be paid in advance for each year that part of the estimated cost of operating and maintaining the project for such year allocated by the Secretary to irrigation. In the event charges due the United States are not paid when due the United States may, at its election, suspend operations in whole or in part.

"(3) The repayment of the reimbursable construction costs shall be spread in not to exceed 40 annual installments, of the number and amounts fixed by the Secretary; and the first annual installment under each contract shall become due and payable on the date fixed by the Secretary, in the year next following the last year of the development period fixed under subsection (c) (1).

"(4) The water users or their organization will take such measures as the Secretary deems proper to secure the adoption of proper accounting, to protect the condition of project works, and to provide for the proper use thereof, and to protect project lands against deterioration due to improper use of water. Delinquencies in any payments due to the United States shall be penalized by a penalty of not less than one-half of 1 percent per month. No water shall be delivered to or for any land or party while either said land or the organization in which it is located or said party is in arrears in the advance payment of operation and maintenance charges or development period charges under subsection (c) (1), or in arrears for more than 12 months in the payment of an installment of the reimbursable construction costs.

"(5) The Secretary shall establish the size of farm units of irrigable lands on each project in accordance with his findings of the area sufficient in size for the support of a family on the lands to be irrigated, but the farm units of irrigable lands shall be of not more than 160 acres. No water may be delivered to or for more than the farm unit area of irrigable lands in the project owned by a single landowner; and after the third year in which water is made available from a project's works, no water may be delivered to or for any land of a landowner owning more than the farm unit area of irrigable land in the project: *Provided*, That 3 years shall be allowed for the disposal of any excess holding acquired at any time in good faith by descent, will, foreclosure of any lien, or by other judicial process: *Provided further*, That this section shall not apply to the United States or any agency or instrumentality thereof, corporate or otherwise. No water shall be delivered to or for any land, in a project area, transferred or disposed of subsequent to approval of the project by the President, unless and until it has been shown to the satisfaction of the Secretary or his duly authorized representative that the land has been transferred or disposed of at a price not exceeding the appraised value as determined by the Secretary or his duly authorized representatives, and upon proof of fraudulent representation as to the true consideration involved the Secretary is authorized to cancel the water right attaching to the land involved: *Provided further*, That nothing herein shall be construed to create authority to interfere with the delivery of water under prior rights.

"SEC. 5. (a) In connection with the construction or operation and maintenance of projects undertaken pursuant to the authority of this act, and in order to further in the Great Plains and arid and semiarid areas of the United States an effective rehabilitation program, stabilization of the agricultural economy and maximum utilization of funds spent for relief purposes, the Secretary of Agriculture is hereby authorized, pursuant to cooperative agreement with the Secretary of the Interior, (1) to arrange for the settlement of the projects on a sound agricultural basis, and insofar as practicable, the location thereon of persons in need; (2) to extend guidance and advice to settlers thereon in matters of farm practice, soil conservation, and efficient land use; (3) to acquire agricultural lands within the boundaries of such projects, with titles and at prices satisfactory to him; and (4) to arrange for the improvement of lands within the project boundaries, including clearing, leveling, and preparing them for distribution of irrigation water. Contracts between the United States and water users or water users' organizations for the lease or purchase of, or the improvement of, lands within such projects shall provide for annual or semiannual payments to the United States, of the number and amounts fixed by the Secretary of Agriculture. The lease, purchase, or improvement contracts for each tract of land shall provide in the aggregate for the return, in not to exceed 50 years from the date the land is first settled upon, of the costs incurred by the United States in acquiring and improving such tract of land with funds appropriated under authority of section 12 (2), except administrative expenses incurred in the District of Columbia, together with interest on unpaid balances of said costs at not less than 3 percent per annum. Such lease, purchase, or improvement contracts shall also provide for the fulfillment of such obligations related to reimbursable construction costs and operation and maintenance charges as may be applicable to such lands in accordance with the repayment contract or contracts required by section 4.

"(b) For the purposes of this section, the Secretary of Agriculture may utilize (1) in such manner as the President may direct, services, labor, materials, or other property, including money, supplied by the Work Projects Administration, the Civilian Conservation Corps, the Office of Indian Affairs, the Farm Security Administration, or any other Federal agency to the extent that the President, upon the report and recommendations of the Secretary of Agriculture, finds that the same should be supplied in assistance of such improvement work, and for which the United States shall be reimbursed in such amounts as the President may fix for each project; and (2) such services, labor, materials, or other property, including money, as may be contributed by any State or political subdivision thereof, State agency, municipal corporation, or other organization, or individuals. Moneys received and accepted under (2) of this subsection shall remain available for expenditure for the purposes for which contributed in like manner as if said sums had been specifically appropriated for said purposes.

"SEC. 6. The Secretary, by cooperative agreements, may arrange with the Department of Agriculture or with such other Federal or State agencies, as he deems desirable, for cooperation in the investigations and surveys of projects proposed under the authority of this act; and in connection with any such project which is undertaken the Secretary by such cooperative agreements may arrange for such cooperation in the construction or operation and maintenance of the project as he deems desirable. Any such cooperative agreement with the Department of Agriculture may provide, among other things, (1) that the Secretary of Agriculture shall enter into the repayment contracts required by section 4 and shall handle the collections of repayments and shall take over the other administrative duties connected with the project, after the Secretary of the Interior announces that the project is ready for operation; (2) if such agreement be entered into after construction of the project has been undertaken by the Secretary of the Interior and after he has entered into the repayment contracts required by section 4, that the Secretary of Agriculture shall take over the collection of repayments and other administrative duties connected with the project; (3) that no water shall be delivered to or for any land or party while the owner of said land or said party is in arrears for more than 12 months in the payment to the United States of money due and payable under a land contract entered into pursuant to section 5 (a); and (4) that any repayment contract with a water user or water users' organization entered into pursuant to section 4 and any land contract with the same water user or organization entered into pursuant to section 5 (a), if said contracts involve the same land, may be combined in a single instrument. The Secretary of Agriculture is hereby authorized to carry out the provision of any such cooperative agreements.

"SEC. 7. On any one project undertaken pursuant to the act of August 28, 1937, entitled 'An act to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes' (50 Stat. 869), as amended and supplemented, expenditures for the construction, maintenance, operation, rehabilitation, or financial assistance of any one project shall not exceed $50,000 of Federal funds, whether appropriated or allotted or both. Under said act no project which involves the storage or utilization of water for the irrigation of more than 500 acres of land or which involves the surface storage of more than 500 acre-feet of water or which involves a total cost exceeding $5,000 shall be undertaken unless and until the Secretary of the Interior has found and certified to the President that the proposed project cannot feasibly or practicably be undertaken pursuant to the Federal reclamation laws or the act of August 11, 1939 (53 Stat. 1418), as amended. All project facilities and appurtenances which depend for their utility in whole or in part upon each other or upon any common facility shall be deemed one project within the meaning of this section.

"SEC. 8. All payments made to the United States under repayment contracts on account of reimbursable contruction costs, including penalties collected for delinquencies in such payments, and all other receipts from project operations pursuant to sections 4 and 9 shall be covered into the Treasury to the credit of miscellaneous receipts. Charges collected during the development period of a project under section 4 (c) (1), excepting such amounts thereof as may be credited to reimbursable construction costs, and charges collected for the operation and maintenance of a project under section 4 (c) (2) shall be made available for expenditure for appropriation by Congress for operation and maintenance of said project.

"SEC. 9. In connection with any project undertaken pursuant to this act, provisions, including contracts of sale, may be made for furnishing municipal or miscellaneous water supplies, or for developing and furnishing power in addition to the power requirements of irrigation: *Provided*, That expenditures from appropriations made directly pursuant to the authority contained in section 12 (1) to meet costs allocated to municipal or miscellaneous water supplies

or surplus power shall not exceed $500,000 for any one project: *Provided further,* That no contract relating to a water supply for municipal or miscellaneous purposes or to electric power shall be made unless, in the judgment of the Secretary, it will not impair the efficiency of the project for irrigation purposes. On any project where such provisions are made, the Secretary shall allocate to municipal or miscellaneous water purposes or to surplus power the part of the estimated construction costs of the project which he deems properly so allocable; and such allocations shall not be included in the reimbursable construction costs covered by the repayment contract or contracts required under section 4. All right, title, and interest in the facilities provided for such municipal or miscellaneous water supplies or surplus power and the revenues derived therefrom shall be and remain in the United States. Contracts for such municipal or miscellaneous water supplies or for such surplus power shall be for such periods, not to exceed 40 years, and at such rates as in the Secretary's judgment will produce revenues at least sufficient to cover the appropriate share of the annual operation and maintenance cost of the project and such fixed charges, including interest, as the Secretary deems proper: *And provided further,* That in sales or leases of such power, preference shall be given to municipalities and other public corporations or agencies; and also to cooperatives and other nonprofit organizations financed in whole or in part by loans made pursuant to the Rural Electrification Act of 1936 and any amendments thereof.

"SEC. 10. (a) In connection with any project constructed pursuant to the provisions of this act, the Secretary shall have the the same authority, with regard to the utilization of lands owned by the United States, as he has in connection with projects undertaken pursuant to the Federal reclamation laws, act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto.

"(b) In connection with the construction or operation and maintenance of a project undertaken pursuant to the authority of this act, the Secretary shall have with respect to construction and supply contracts, and with respect to the acquisition, exchange, and disposition of lands, interest in lands, water rights, and other property and the relocation thereof, the same authority, including authority to acquire lands and interests in land and water rights with titles and at prices satisfactory to him, which he has in connection with projects under the Federal reclamation laws.

"SEC. 11. The Secretary is hereby authorized to perform any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this act into full force and effect.

"SEC. 12. To carry out the purposes of this act there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated (1) for the Department of the Interior such sums as may be necessary to carry out its functions under this act, and (2) for the Department of Agriculture such sums as may be necessary to carry out its functions under this act."

With the following committee amendments:

Page 3, lines 1 and 2, strike out the words "Farm Security Administration" and insert in lieu thereof "Department of Agriculture."

Page 4, lines 14 and 15, strike out "which can probably be returned by the Office of Indian Affairs" and insert in lieu thereof "be repayable in accordance with existing law relating to Indian lands."

Page 4, line 24, after the word "report", insert "by the Secretary of Agriculture to the President", and strike out the words "which the" and insert "proposed by the Department."

Page 4, line 25, strike out "Secretary" and "may wish to provide."

Page 6, line 6, after the word "law", insert "and any applicable interstate agreement."

Page 6, line 9, after the word "law", insert "and any applicable interstate agreements."

Page 8, line 18, after the words "costs", insert a comma and "except as to Indian lands which shall be repayable in accordance with existing law relating to Indian lands."

Page 10, line 3, after the word "this", insert "sub-."

Page 10, line 5, strike out the extra "e" in the word "delivered."

Page 10, line 7, after the comma insert "and within 3 years from the time water becomes available."

Page 12, line 10, strike "Farm Security Administration" and insert in lieu thereof "Department of Agriculture."

Page 12, line 17, after the first comma following the word "materials" insert the word "easements."

Page 13, line 1, strike out "he deems" and insert in lieu thereof "the President may deem."

Page 14, lines 16 to 25, beginning with the word "Under" on line 16, strike out the remainder of the lines through line 25.

Page 15, line 1, strike out the word "amended."

Page 15, line 15, strike out the word "made."

Page 15, line 16, strike out "for appropriation by Congress."

Page 15, line 17, strike out the period and add "in like manner as if said funds had been specifically appropriated for said purposes."

Page 16, lines 16 to 22, beginning with the word "Contracts", strike out everything to and including the colon in line 22, and insert the following: "Contracts for such municipal or miscellaneous water supplies or for such surplus power shall be at such rates as, in the Secretary's judgment, will produce revenues at least sufficient to cover the appropriate share of the annual operation and maintenance cost of the project and such fixed charges, including interest, as the Secretary deems proper. Contracts for the sale of surplus power shall be for periods not to exceed 40 years and contracts for water supply for municipal or miscellaneous purposes shall be for such periods as the Secretary may determine and may include such renewal options as the Secretary deems desirable."

Page 17, line 7, after the comma, insert "other than lands acquired under section 5,."

Page 17, line 21, after the word "Secretary", strike out "is" and insert in lieu thereof "of the Interior and the Secretary of Agriculture are."

Page 17, line 24, before the word "the", insert "out their respective functions under this act and for the purpose of carrying."

The committee amendments were agreed to.

Mr. O'CONNOR. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: Strike out all of subsection (5) on pages 9 and 10 and insert in lieu thereof the following:

"(5) The Secretary shall establish, with respect to land not already under cultivation, the size of farm units of irrigable lands on each project in accordance with his findings of the area sufficient in size for the support of a family on the lands to be irrigated, but such farm units shall be of not more than 160 acres.

"In the case of such lands not already under cultivation, no water in excess of the amount determined by the Secretary to be reasonably necessary for the successful irrigation of 160 acres of land shall be allowed to any one landowner regardless of the amount of land which such owner may own.

"In the case of land already under irrigation but for which the amount of water is insufficient, the owner thereof shall be entitled to have delivered to him for a supplemental supply not more than the additional amount determined by the Secretary of the Interior to be reasonably necessary for the successful irrigation of 160 acres: *Provided,* That this section shall not apply to the United States or any agency or instrumentality thereof, corporate or otherwise: *Provided further,* That nothing in this act shall be construed to create authority to interfere with the delivery of water under prior rights."

The amendment was agreed to.

Mr. O'CONNOR. Mr. Speaker, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: Page 9, in line 4, following the period, insert the following: "*Provided,* That the provisions of this subsection shall not be construed to modify the provisions of special legislation pertaining to any particular object."

Mr. O'CONNOR. This is for the purpose of insuring against any controversy. The rule already is that a general law does not modify a special act.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CALIFORNIA INDIANS

The Clerk called the next bill, H. R. 3765, to amend the act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California," approved May 18, 1928 (45 Stat. 602).

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SCHAFER of Wisconsin. Mr. Speaker, reserving the right to object, as a member of the Committee on Indian Affairs, which reported this bill, I want to state that this bill as reported by the committee is indefensible. It provides for a potential raid on our almost bankrupt Treasury amounting to about $100,000,000. I am pleased, as a member of the committee which reported the bill, to object to its consideration at this time.

The SPEAKER pro tempore. Objection is heard.

REPLACEMENT OF FISHING VESSELS

The Clerk called the next bill, H. R. 10501, to amend section 509, as amended, of the Merchant Marine Act, 1936.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That so much of the fourth sentence of section 509, as amended (U. S. C., 1934 ed., Supp. V, title 46, sec. 1159), of the Merchant Marine Act, 1936, as precedes the first semicolon therein is amended to read as follows: "In case the vessel is designed to be of not less than 3,500 gross tons and to be capable of a sustained speed of not less than 14 knots, or, without regard to tonnage or speed, is designed to be a fishing vessel, the applicant shall be required to pay the Commission not less than 12½ percent of the cost of such vessel, and in the case of any other vessel the applicant shall be required to pay the Commission not

less than 25 percent of the cost of such vessel (excluding from such cost, in either case, the cost of national defense features)."

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That section 509 of the Merchant Marine Act, 1936, as amended, is amended by inserting, after "Sec. 509", the letter "a" in parentheses, and by adding at the end of such section the following new subsections:

"'(b) Any citizen of the United States may make application to the Commission for aid in the construction of a new vessel to be engaged in the fisheries of the United States. If such application is approved by the Commission, the vessel may be constructed under the terms and conditions of this title, but no construction-differential subsidy shall be allowed. The Commission shall pay for the cost of national-defense features incorporated in such vessel. The applicant shall be required to pay the Commission not less than 12½ percent of the cost of such vessel (excluding from such cost the cost of national-defense features); the balance of such purchase price shall be paid by the applicant within 20 years and in not less than 20 equal installments, with interest as prescribed in subsection (a) of this section, and with payment secured by a preferred mortgage on the vessel and otherwise secured as the Commission may determine. In case of any such vessel, the cost of which, as determined by the Commission, does not exceed $100,000, the Commission may waive, to the extent that it deems necessary or desirable in view of the size and type of the vessel and any national-defense features involved, and other facts deemed pertinent by the Commission, any or all provisions of this title otherwise applicable except the provisions of section 503 and section 505 (a) other than the requirements as to competitive bidding which may be waived if the Commission deems the construction price to be fair and reasonable. The Commission is authorized to sell, at not less than the amount of the unpaid principal and the accrued interest, any mortgage acquired under this subsection to a mortgagee eligible under section 1104 of title XI of this act, and to insure any such mortgage so sold subject to the following sections of title XI: 1104 (c), 1105, 1106, and 1107. The Commission is authorized and directed to prescribe such rules and regulations as it may deem necessary or appropriate to carry out the provisions of this subsection.

"'(c) The provisions of section 505 (b) of this title with respect to the payment to the Commission of profit of the shipbuilder shall not be applicable to any contract made pursuant to the provisions of this section where by the terms of such contract the total compensation payable to the shipbuilder thereunder may in no event exceed the total cost of performing the contract as determined by the Commission plus an amount not in excess of 11½ percent of such cost.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REMOVING RESTRICTION PLACED UPON CERTAIN LANDS AT MITCHEL FIELD, N. Y.

The Clerk called the next bill, H. R. 10335, to remove the restriction placed upon the use of certain lands acquired in connection with the expansion of Mitchel Field, N. Y.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. HARTER of Ohio. Mr. Speaker, I ask unanimous consent that the bill (S. 4258) to remove the restriction placed upon the use of certain lands acquired in connection with the expansion of Mitchel Field, N. Y., be substituted for the House bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio [Mr. HARTER]?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the item contained in the act of Congress approved July 1, 1937 (50 Stat. 452), entitled "An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1938, and for other purposes," providing for the acquisition of land in the vicinity of Mitchel Field, N. Y., 342 acres, more or less, to be used exclusively for runways, $500,000, is hereby amended so as to remove the restriction thereby placed on the use of the land so authorized to be acquired: *Provided*, That the use of said land for any other purpose shall in no way interfere with the effective use of the runways placed thereon.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 10335) was laid on the table.

RETIREMENT OF ASSISTANT CHIEFS OF BRANCHES AND OF WING COMMANDERS IN THE AIR CORPS

The Clerk called the next bill, S. 3636, to amend the National Defense Act, as amended, so as to provide for retirement of assistant chiefs of branches and of wing commanders of the Air Corps with the rank and pay of the highest grade held by such officers as assistant chiefs and wing commanders, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the fourth sentence of section 4c of the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended by the act of June 4, 1920 (41 Stat. 762), and as amended by the act of May 12, 1939 (Public, No. 72, 76th Cong.), be, and the same is hereby, further amended to read as follows:

"Any officer who shall have served 4 years as chief or assistant chief of a branch or as commanding general of the General Headquarters Air Force or who shall have served 2 years as wing commander of the Air Corps and who may subsequently be retired, shall be retired with the rank, pay, and allowances authorized by law for the highest grade held by him as such chief, assistant chief, commanding general, or wing commander."

SEC. 2. Any officer who has heretofore served 4 years as assistant chief of branch of the Army or who has heretofore served 2 years as wing commander of the Air Corps and who has been retired in a grade below that of brigadier general, shall, on the date of approval of this act, be advanced in rank upon the retired list to the highest grade held by him as such assistant chief or wing commander and shall receive the pay and allowances provided by law for such advanced rank.

SEC. 3. No back pay or allowances shall accrue by reason of this act.

The bill was ordered to be read a third time, and was read the third time, and passed, and a motion to reconsider was laid on the table.

REPEALING OBSOLETE STATUTES AND IMPROVING THE UNITED STATES CODE

The Clerk called the next bill, H. R. 9947, to repeal obsolete statutes and to improve the United States Code.

Mr. WOLCOTT. Mr. Speaker, I desire to make a point of order against the bill, and if it is in order I will also include in my point of order in addition to this bill Nos. 948, 949, 950, and 951 on the calendar.

The point of order is that the report does not comply with section 2 (a) of rule XXIII of the Ramseyer Rule, which provides that—

Whenever a committee reports a bill or joint resolution repealing or amending any statute or part thereof, it shall include in its report or in the accompanying document the text of the statute or part thereof which it is proposed to repeal.

The SPEAKER pro tempore. Does the gentleman from New York [Mr. KEOGH] desire to be heard on the point of order?

Mr. KEOGH. Mr. Speaker, I should like to be heard on the point of order. As the gentleman from Michigan [Mr. WOLCOTT] has pointed out, the Committee on Revision of the Laws has complied with the so-called Ramseyer rule only with reference to item 947 on the calendar. The delay in putting these bills on the calendar was occasioned by the fact that we sought in connection with that bill, which was the first one we considered, to comply with the Ramseyer rule by setting forth in the report all the laws affected by that bill. In view of the fact that we were seeking by these bills to repeal existing law, in some cases going back many years and the Revised Statutes and the Statutes at Large are available only in the Library, we were faced with the necessity of typing the text of the laws so repealed. We felt, in view of the fact, that the sections affected by the bill are clearly set forth in the bills themselves and in the report, and the reasons for the bill are also clearly set forth in the report, that no Member of this House, having access, as we all have, to the Revised Statutes, to the Statutes at Large, and to the United States Code, to all of which sections sought to be repealed by this series of bills, specific reference is made, would raise a point of order.

I hope the gentleman from Michigan will cooperate with our committee and will not press the point of order, because it will simply delay the consideration of these bills, which represent an effort—and, I hope, a noble effort—on the part of the Committee on Revision of the Laws to obtain authority to omit from the United States Code those sections of existing law which are duplicated, which are redundant, which are temporary in nature, which are obviously obsolete, and which have been repealed by inference. When I say "repealed by inference" I refer to the increased practice on the part of the standing committees of this House, when rewriting legislation, to include in the bill reported a section repealing laws that might be inconsistent with the laws or with the sections contained in the bill. I do not believe you should place upon this committee the responsibility of attempting to determine what are the inconsistent laws thereby repealed. I hope the gentleman will withdraw his point of order.

The SPEAKER pro tempore. Does the gentleman from Michigan insist on his point of order?

Mr. WOLCOTT. Yes. I think some time should be given for the consideration of this bill. Granting all that the gentleman has said to be true, it seems to me that we should not establish the precedent of repealing dozens of laws by unanimous consent in an omnibus bill. I think we would be subject to criticism if we did not provide for some consideration of these bills. All the Committee on Revision has to do is to go to the Rules Committee, get a rule waiving all points of order and providing for a limited amount of time to discuss the matter. That will give the gentleman sufficient time to explain each of these bills, and compare them with existing law, so that we will be able to determine whether they have been repealed by implication.

The SPEAKER pro tempore. Will the gentleman permit an observation from the Chair as to whether the gentleman would consider it advisable to ask unanimous consent that the bills go over without prejudice, for the reason that if he insists on his point of order it means the bills will have to be recommitted to the Committee on Revision of the Laws?

Mr. WOLCOTT. I was aware of that, and made the point of order to stress the fact that there would be objection to the bill on the Consent Calendar. In order that the bills may not lose their status on the Union Calendar and may be considered if a rule is granted, I ask unanimous consent, Mr. Speaker, if it is in order to do so, that the bills appearing on the Consent Calendar as Nos. 946, 948, 949, 950, and 951 may be passed over without prejudice, and I withdraw the point of order, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. CASE of South Dakota. Reserving the right to object, Mr. Speaker, may I ask the gentleman from New York if sometime between now and the time these bills will come up again the clerk of his committee can prepare some statement for the record so that we may be advised what these repealers really repeal?

Mr. KEOGH. I may say to the gentleman from South Dakota that we have sought in the reports accompanying these bills to set forth very clearly the purposes of each bill and the reasons for including in the bill the sections we have, but if the gentleman from South Dakota feels that any other information may be necessary or advisable, we, of course, shall be delighted to comply with his request.

Mr. CASE of South Dakota. I have a feeling that, as the gentleman from Michigan has pointed out, the Congress would be subject to a great deal of criticism if it would be apparent from the bill, as it is from the one I have examined, that there is a general repealer here of certain sections and the Congress would not know what it might be repealing.

Mr. KEOGH. I should like very much to make this statement with reference to that. We are not in effect repealing any laws by these bills but are seeking to obtain Congressional authority to eliminate these sections from the United States Code. The laws that are covered by these bills have already been repealed by bills which this Congress has passed, but in the passing of those subsequent bills the committees handling them have not expressly repealed the prior sections of law which the subsequent bills superseded or replaced or amended. We are simply trying to do here the work that should have been done in some of those committees. Our bills would not be necessary if those new bills contained express rather than blanket repealers.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Michigan.

Mr. WOLCOTT. In that respect, we should not assume the responsibility of saying by unanimous consent that a certain act has been repealed by implication. Courts sometimes spend days on that question. If it is just a matter of saving a little time, I believe we had better not take any chance on repealing these en bloc without at least giving them some consideration.

Mr. KEOGH. I may say to the gentleman from Michigan that these bills have been the subject of study for months, not for days. The delay in putting them on the calendar was due to the fact that we sought in connection with calendar No. 947 to comply with the technical Ramseyer rule. Further, these bills have been studied by editors and by publishing companies for years, not for months. If we do not start somewhere we are going to find ourselves with a United States Code that is simply too cumbersome and too complicated for even the most learned legislators to know anything about.

Mr. WOLCOTT. The code should include all of the law, and where there is any question as to whether a discrepancy exists between two statutes the two statutes should be in the code for the enlightenment of the lawyers and the courts interpreting the section. I do not believe we should be asked to do a job here which is properly referred to the courts; at least, we should not be asked to do it by unanimous consent. That is why I brought the matter up.

Mr. KEOGH. I should like to point out that the first three bills on this calendar refer to sections of law affecting Internal Revenue Bureau taxation. In January of 1939 this Congress took what I have previously said was a most progressive step in legislating when we enacted the Internal Revenue Code. Section 4 (a) of the Internal Revenue Code reads as follows:

> The internal revenue title, as hereinafter set forth, is intended to include all general laws of the United States and parts of such laws, relating exclusively to internal revenue.

We have sought in these first three bills on the calendar to go through every title in the United States Code, including title XXVI as superseded by the Internal Revenue Code and repeal those sections that deal with internal revenue, because this Congress then, January 1939, said, in effect, "From this point on all our internal revenue laws shall be found in title XXVI and nowhere else." However, our committee lacks the authority to eliminate them from the United States Code unless the Congress gives it to us. We are seeking in these bills to obtain that authority.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I demand the regular order.

Mr. CASE of South Dakota. Mr. Speaker, my reservation of objection, as I understood, was to the unanimous-consent request that the bills enumerated by the gentleman from Michigan be permitted to pass over without prejudice. I have no objection to that request.

Mr. KEOGH. Further reserving the right to object, may I ask if the gentleman from Michigan will not amend his request to include Calendar No. 947?

Mr. WOLCOTT. I was going to do that.

Mr. KEOGH. I should like to have all these bills considered together rather than piecemeal, because I do not want our committee to fall into piecemeal amending or repealing.

Mr. WOLCOTT. I will say to the gentleman I was going to do that, and I shall do it later, because Calendar No. 947 comes in a different category and I prefer to take action on it separately.

Mr. ROBSION of Kentucky. Reserving the right to object, Mr. Speaker, I do not believe objection should be made to these bills or that the gentleman should insist upon his

request to pass the bills over without prejudice. There is tremendous confusion among lawyers and litigants when they look into the books as to what the law it. You have a great lot of deadwood there piled up, and it brings about endless confusion.

Not only has our committee made a careful study of these matters but all the departments involved have made a very careful check and there is nothing in any of these bills except various obsolete acts that ought to go out, and there is no greater service that could be rendered to the American bar and the lawyers generally than to have these bills passed.

Mr. KEOGH. Mr. Speaker, if the gentleman will yield, I may say to the gentleman from Michigan, with respect to the first three bills referred to on the calendar, they have been submitted to the Joint Committee on Internal Revenue Taxation and they have interposed no objection and we would have received from that committee a letter of approval to be included in the report except for the fact that they have been engrossed with the excess-profits-tax bill.

Mr. ROBSION of Kentucky. These measures should be acted on by this Congress.

Mr. WOLCOTT. I have no objection to action being taken, but I want the action taken to be commensurate with the dignity of the House.

Mr. KEOGH. Mr. Speaker, if the gentleman will yield there, this is the Unanimous Consent Calendar.

Mr. WOLCOTT. But there should be a certain amount of consideration when we are asked to repeal en bloc literally hundreds of laws by unanimous consent, and I have suggested to the chairman of the committee that he go to the Rules Committee and get a rule waiving points of order. This will save the committee clerk the necessity of printing all of these acts, in accordance with the Ramseyer rule, and we will at least have an hour or so to discuss them, so we can ask some questions and we will give the people to understand that we know what we are doing. We have had some very lamentable instances in the last 4 or 5 months when we legislated without knowing just what we were doing. I do not have the time, and I do not believe any gentleman on this floor has the time to go through all these statutes and look them all up and read them and compare them with existing law and, personally, I do not like to take the report of any joint committee or any committee clerk without at least asking some questions on it, because they are susceptible to mistakes and, after all, it is our responsibility.

Mr. CASE of South Dakota. Regular order, Mr. Speaker.

The SPEAKER. The regular order has been demanded. Is there objection?

Mr. ROUTZOHN. I reserve the right to object, Mr. Speaker——

The SPEAKER. The regular order has been demanded. Is there objection. [After a pause.] The Chair hears none.

REPEALING OBSOLETE STATUTES AND IMPROVING THE UNITED STATES CODE

The Clerk called the next bill, H. R. 9773, to repeal obsolete statutes and to improve the United States Code.

Mr. WOLCOTT. Mr. Speaker, in order that this bill may have the same status as those which we have just discussed, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

TRANSFERRING CERTAIN PROVISIONS OF THE TARIFF ACT OF 1930 INTO THE UNITED STATES JUDICIAL CODE

The Clerk called the next bill, S. 3990, to transfer the essential language of section 518, title IV, of the Tariff Act of 1930, approved June 17, 1930, into the Judicial Code of the United States and to provide for its reenactment as part of said Judicial Code, to take effect from the date of its passage, including the allowance to the judges of the United States Customs Court, Government counsel, and stenographic clerks as set forth therein for traveling expenses incurred for maintenance while absent from New York on official business and to repeal all acts inconsistent therewith to the extent of such inconsistency, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That a new section be, and the same is hereby, added to the Judicial Code of the United States relating to the United States Customs Court, to be known as section 187 (a), to follow immediately after section 187, to read in the exact language of section 518, title IV, of the Tariff Act of 1930, as follows:

"SEC. 187. (a) United States Customs Court.

"The United States Customs Court shall continue as now constituted, except that the chief justice and the associate justices of such court now in office and their successors shall hereafter be known as the judges of such court. All vacancies in such court shall be filled by appointment by the President, by and with the advice and consent of the Senate. Not more than five of the judges of such court shall be appointed from the same political party, and each of such judges shall receive a salary of $10,000 a year. They shall not engage in any other business, vocation, or employment, and shall hold their office during good behavior. The offices of such court shall be at the port of New York. The court and each judge thereof shall have and possess all the powers of a district court of the United States for preserving order, compelling the attendance of witnesses and the production of evidence, and in punishing for contempt. The court shall have power to establish from time to time such rules of evidence, practice, and procedure, not inconsistent with law, as may be deemed necessary for the conduct of its proceedings, in securing uniformity in its decisions and in the proceedings and decisions of the judges thereof, and for the production, care, and custody of samples and of the records of such court. Under such rules as the United States Customs Court may prescribe, and in its discretion, the court may permit the amendment of a protest, appeal, or application for review. One of the judges of such court, designated for that purpose by the President of the United States, shall act as presiding judge, and in his absence the judge then present who is senior as to the date of his commission shall act as presiding judge; and until any such designation is made the chief justice of the United States Customs Court now in office shall act as presiding judge. The presiding judge, or the acting presiding judge in his absence, shall have control of the fiscal affairs and of the clerical force of the court, making all recommendations for appointment, promotions, or otherwise affecting such clerical force; he may at any time before trial, under the rules of the court, assign or reassign any case for hearing or determination, or both, and shall designate a judge or division of three judges and such clerical assistants as may be necessary to proceed to any port within the jurisdiction of the United States for the purpose of hearing or of hearing and determining cases assigned for hearing at such port, and shall cause to be prepared and promulgated dockets therefor. Judges of the court, stenographic clerks, and Government counsel shall each be allowed and paid his necessary expenses of travel and his reasonable expenses, not to exceed $10 per day in the case of the judges of the court and Government counsel, and $8 per day in the case of stenographic clerks actually incurred for maintenance while absent from New York on official business. The judges of said court shall be divided into three divisions of three judges each for the purpose of hearing and deciding appeals for the review of reappraisements of merchandise, and of hearing and deciding protests against decisions of collectors. A division of three judges or a single judge shall have power to order an analysis of imported merchandise and reports thereon by laboratories or bureaus of the United States. The presiding judge shall assign three judges to each of said divisions and shall designate one of such three judges to preside. The presiding judge of the court shall be competent to sit as a judge of any division or to assign one or two other judges to any of such divisions in the absence or disability of any one or two judges of such division. A majority of the judges of any division shall have full power to hear and decide all cases and questions arising therein or assigned thereto. A division of the court deciding a case or a single judge deciding an appeal for a reappraisement may, upon the motion of either party made within 30 days next after such decision, grant a rehearing or retrial of such case when in the opinion of such division or single judge the ends of justice so require.

"The judges of the United States Customs Court are hereby exempted from so much of section 1790 of the Revised Statutes as relates to their salaries.

"When any judge of the United States Customs Court resigns his office after having held a commission as judge or justice of such court or member of the Board of General Appraisers at least 10 years continuously, or otherwise, and having attained the age of 70 years, he shall, during the residue of his natural life, receive the salary which is payable to a judge of such court at the time of his resignation. Any such judge who is qualified to resign under the foregoing provisions may retire, upon the salary of which he is then in receipt, from regular active service as a judge of such court, and upon such retirement the President may appoint a successor; but such retired judge may, with his consent, be assigned by the presiding judge of such court to serve upon such court and while so serving shall have all the powers of a judge of such court."

SEC. 2. That all acts or parts of acts inconsistent with the provision of this act be, and the same are hereby, repealed to the extent of such inconsistency.

SEC. 3. That this act, including the provision for payment of the expenses of the judges of the Customs Court, Government attorneys, and stenographic clerks incurred while absent from New York on official business, shall take effect from the date of its passage.

With the following committee amendments:

On page 3, in line 25, after the word "court", strike out the words "stenographic clerks, and Government counsel."

On page 4, in line 2, after the word "day", strike out the word "in" and all of line 3 and the words in line 4 as follows: "and $8 per day in the case of stenographic clerks."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

Mr. KEOGH. Mr. Speaker, I offer an amendment to the title of the bill.

The Clerk read as follows:

Amend the title by striking out after the words "United States Customs Court" the following: "Government counsel, and stenographic clerks as set forth therein."

The amendment was agreed to.

Mr. ROBSION of Kentucky. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ROBSION of Kentucky. I did not understand whether the gentleman's amendment to the committee amendment was agreed to.

Mr. KEOGH. Yes. It was simply an amendment to correct the title of the bill.

The SPEAKER. And the committee amendments were agreed to.

The Clerk will report the next bill.

TO REPEAL AN OBSOLETE SECTION OF THE DISTRICT OF COLUMBIA CODE

The Clerk called the next bill, H. R. 7405, to repeal an obsolete section of the District of Columbia Code.

There being no objection, the Clerk read the bill, as follows:

To repeal an obsolete section of the District of Columbia Code.

Be it enacted, etc., That section 76 of title 18 of the District of Columbia Code (13 Edw. 1, ch. 31 (1285); Alex. Br. Stat. 126; Comp. Stat. D. C., par. 442, sec. 5) is hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RAILROAD UNEMPLOYMENT INSURANCE ACT AMENDMENTS

The Clerk called the next bill, S. 3920, to amend the Railroad Unemployment Insurance Act, approved June 25, 1938, as amended June 20, 1939, and for other purposes.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I have been informed that it is the purpose of the Chair to recognize the gentleman from Ohio [Mr. CROSSER] to suspend the rules in connection with this bill.

The SPEAKER. That is correct.

Mr. WOLCOTT. For that reason I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The SPEAKER. That concludes the call of the Consent Calendar.

TRANSFER OF JURISDICTION OVER ARLINGTON FARM, VIRGINIA

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to return to Calendar No. 896 for the purpose of considering the bill (S 4107) to transfer the jurisdiction of the Arlington Farm, Virginia, to the jurisdictions of the War Department and the Department of the Interior, and for other purposes, since I am advised the gentleman from Michigan [Mr. WOLCOTT] will not insist on its going over.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the control and jurisdiction of the lands, buildings, and improvements constituting the Arlington Farm, as created by the act of Congress approved April 18, 1900 (31 Stat. 135), west of the Rosslyn connecting railroad, are hereby transferred from the Secretary of Agriculture to the Secretary of War, to take effect progressively as each area of said farm is turned over by the Secretary of Agriculture to the Secretary of War: *Provided*, That the authority to remove such buildings, improvements, trees, and plants as shall be deemed necessary in order to promote the work of the Department of Agriculture shall remain in the Secretary of Agriculture until the transfer of the area involved is effected.

SEC. 2. There is hereby authorized to be appropriated a sum not to exceed $3,200,000 to be expended by the Secretary of Agriculture for the acquisition by purchase, condemnation, or donation, of lands to provide a suitable site for the development and reestablishment thereon of the functions and activities of the Arlington Farm, and the construction and installation of such buildings, equipment, and utilities and appurtenances thereto, including the employment of persons and means in the city of Washington and elsewhere, as in the judgment of the Secretary of Agriculture may be necessary.

SEC. 3. There is also further authorized to be appropriated not to exceed $4,000,000 for the acquisition of adjacent lands and the construction and installation of such buildings and utilities and appurtenances as in the judgment of the Secretary of War may be necessary for military purposes on the above-mentioned lands, including alterations, additions, and betterments to such existing improvements thereon as may be transferred by the Secretary of Agriculture to the Secretary of War.

SEC. 4. The control and jurisdiction of that portion of the Arlington Experimental Farm lying east of the Rosslyn connecting railroad is hereby transferred from the Secretary of Agriculture to the Secretary of the Interior, and there is hereby authorized to be appropriated not to exceed $1,000,000 for the acquisition of adjacent lands in order that the Secretary of the Interior may transfer to this enlarged area the propagating gardens, shops, heating plant, tourist camp, and other facilities that are now located between the Washington Monument grounds, the Thomas Jefferson Memorial, and the Potomac River. The Secretary of War is hereby authorized and directed to transfer to the Secretary of the Interior a right-of-way 200 feet wide extending from a point near the southeast corner of the Arlington Cemetery in a northeasterly direction to the Boundary Channel, in order to provide a scuth approach to the Arlington Memorial Bridge and the construction of an adequate road within this right-of-way is hereby authorized. The plans for location and development of this approach road as well as the development plans for the enlarged areas east and west of the railroad for the uses herein authorized shall be subject to the approval of the National Capital Park and Planning Commission. The development plan for the area under jurisdiction of the Secretary of War shall provide for a connecting road adjacent to the Rosslyn connecting railroad between the highways north of the Arlington reservation and those south of said reservation, and upon the construction and opening of such road the Secretary of War is hereby authorized and empowered to close and abandon the present Military Road along the east boundary of the Arlington Cemetery.

With the following committee amendments:

Page 1, line 6, strike out the words "west of the Rosslyn connecting railroad";

Page 2, line 17, strike out "$4,000,000" and insert "$5,000,000";

Page 2, line 24, after the word "War" insert: "If the purchase of additional lands authorized by this section meets the requirements of the War Department, the Secretary of War may allow the Secretary of Agriculture to continue the operation of Arlington Experiment Station at its present site."

Page 3, line 4, strike out all of section 4.

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "An act to transfer the jurisdiction of the Arlington Farm, Va., to the jurisdiction of the War Department, and for other purposes."

ANNUAL LABOR ON MINERAL CLAIMS IN THE TERRITORY OF ALASKA

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to return to Calendar No. 916, H. R. 2747, relative to annual labor on mineral claims in the Territory of Alaska, and that the proceedings by which the bill was passed be vacated and the bill be restored to the calendar.

I am the sponsor of the bill, and the only amendment, not a committee amendment, was offered by the gentleman from Arizona, who has agreed that this procedure may be taken, if there is no objection.

The SPEAKER. Is there objection to the Delegate from Alaska?

There was no objection.

Mr. DIMOND. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

RELIEF OF CERTAIN DISBURSING OFFICERS FOR THE CIVIL WORKS ADMINISTRATION AND THE FEDERAL EMERGENCY RELIEF ADMINISTRATION

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to return to Calendar No. 848, for the present consideration of the bill (H. R. 9514), for the relief of certain former disbursing officers of the Civil Works Administration and the Federal Emergency Relief Administration.

Mr. Speaker, this bill was objected to by the gentleman from Pennsylvania [Mr. RICH]. I have had a conference with him and this procedure is agreeable to him.

Mr. RICH. Mr. Speaker, reserving the right to object, I want to ask the gentleman from Maryland [Mr. KENNEDY] a question or two regarding H. R. 9514. Several years ago we relieved the paymasters of P. W. A. funds, who were bonded, from overpaying funds amounting to almost $100,000,000 on the assumption that the money should not, or could not, be collected. The point I make is this: We should have more authority and ask better business methods be used in distribution of the taxpayers' funds.

I want to ask the gentleman from Maryland the following questions:

First. How much money does this charge off the books which was illegally paid out?

Mr. KENNEDY of Maryland. About $40,000.

Mr. RICH. Second: Will the Civil Works Administration and the Federal Emergency Relief Administration see to it that this does not happen again?

Mr. KENNEDY of Maryland. I sincerely hope they will.

Mr. RICH. Third: Will we permit any more funds to be paid out by any New Deal agency or any department of the Government that is not in accordance to the law? This is very important.

Mr. KENNEDY of Maryland. I trust not.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent that the bill S. 3868, a similar Senate bill, be substituted for the bill H. R. 9514.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of disbursing officers for payments made in good faith on public account from appropriations made available to the Civil Works Administration and the Federal Emergency Relief Administration for expenditure, notwithstanding the failure to comply with requirements of existing law or regulations: *Provided*, That the Commissioner of Work Projects or his duly authorized representative shall certify that the payments appear to be free from fraud or collusion on the part of the disbursing officer making the payment.

SEC. 2. No charge shall be made against the certifying officer for the amount of any payment for which credit shall be allowed under the preceding section where the Commissioner of Work Projects or his duly authorized representative certifies that the payment appears to have been made without fraud or collusion on the part of the certifying officer.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A House bill, H. R. 9514, was laid on the table.

PURCHASE OF WINNING DESIGN FOR PROPOSED SMITHSONIAN GALLERY OF ART

Mr. KELLER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill H. R. 9806, to permit the Smithsonian Gallery of Art Commission to purchase a model of the winning design for the proposed Smithsonian Gallery of Art, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, that bill sounds a little familiar. It seems to me that bill was on the Consent Calendar and was stricken.

The SPEAKER. It was stricken from the calendar.

Mr. WOLCOTT. I object to the consideration of the bill, Mr. Speaker.

Mr. KELLER. Will the gentleman withhold his objection?

Mr. WOLCOTT. I will reserve the objection temporarily.

Mr. KELLER. I want to call attention to the fact that the other day when I brought this matter up I was assured that it would be considered whenever I called it up provided the minority Member on the Library was agreeable to that.

The minority Member, the gentleman from Massachusetts [Mr. TREADWAY], is agreeable.

Mr. WOLCOTT. I think the objection of the acting leadership at that time to the consideration of the bill was that no Member of the minority on the committee was present.

Mr. KELLER. Ask the gentleman from Michigan [Mr. MICHENER]. There he is.

Mr. WOLCOTT. I understand. Objection to consideration at that time was based on the ground that no Member of the minority was here. On my own responsibility, I am objecting to the consideration of the bill.

Mr. MICHENER. Mr. Speaker, reserving the right to object, I did not intend to bind anybody. My effort was to ascertain if it was satisfactory to minority Members on the committee, that if it was I would not object. If the gentleman from Michigan [Mr. WOLCOTT], one of the official objectors whose duty it is to understand these bills objects, I would not in any way attempt to bind him or anyone who does know.

Mr. KELLER. If the gentleman really knows the measure he would not object.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SCHAFER of Wisconsin. How much will this bill cost?

Mr. KELLER. It will not cost anything at all. The money is already appropriated. All we are asking is the right to pay it out.

Mr. SCHAFER of Wisconsin. How much are you going to pay out?

Mr. KELLER. Four thousand dollars. One man gets $800, another gets $700, and a third gets $2,500.

Mr. SCHAFER of Wisconsin. That is not much. I congratulate the gentleman. He ought to get his bill through.

Mr. KELLER. I thank the gentleman from Wisconsin and hope he will intervene with the gentleman from Michigan.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

EXCESS-PROFITS TAX BILL

Mr. McCORMACK. Mr. Speaker, in view of the fact that the conference report on the excess-profits tax bill will come up for consideration tomorrow, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

Mr. MICHENER. Mr. Speaker, reserving the right to object, has the gentleman set any time for the consideration of the tax bill? Ordinarily we would have but an hour on the report under the rules of the House.

Mr. McCORMACK. That is something I have no control over.

Mr. MICHENER. May I ask the gentleman the necessity of convening at 11 o'clock if he does not intend to extend time for debate on the report?

Mr. McCORMACK. The reason for the request is that the gentleman from Massachusetts [Mr. TREADWAY], a very honorable Member of the House and a very hard-working Member of the House, has a very important engagement that requires him to take a train at 1 o'clock. I understand, too, that the distinguished chairman of the committee is very anxious to leave tomorrow afternoon.

Mr. WOLCOTT. I may say that I, too, have a very important engagement that I have been putting off for the last 3 days in order to be here when the tax bill came up. Unless we have more than an hour on the report, I doubt very much if I shall be able intelligently to discuss the measure with my people. There are several things in the bill which I do

not understand. I should like the gentleman's opinion on several phases of the bill.

Mr. McCORMACK. That opinion I shall be very glad to undertake to give to the gentleman tomorrow if I speak on the report.

Mr. SCHAFER of Wisconsin. Mr. Speaker, there are 435 Members of this Congress who have important engagements in the morning, too. I do not think we should inconvenience 434 Members for the convenience of 1. I object.

The SPEAKER. Objection is heard.

BRIDGE ACROSS WHETSTONE DIVERSION CHANNEL, ORTONVILLE, MINN.

Mr. YOUNGDAHL. By direction of the chairman of the Committee on Interstate and Foreign Commerce, I ask unanimous consent for the present consideration of the bill (H. R. 10518) granting the consent of Congress to the Department of Highways and the county of Big Stone, State of Minnesota, to construct, maintain, and operate a free highway bridge across the Whetstone Diversion Channel at or near Ortonville, Minn.

Mr. KELLER. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. KELLER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count.

Mr. KELLER (interrupting the count). Mr. Speaker, I withdraw my point of order.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Department of Highways and the county of Big Stone, State of Minnesota, to construct, maintain, and operate a free highway bridge and approaches thereto across the Whetstone Diversion Channel, at a point suitable to the interests of navigation, at or near Ortonville, Minn., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL DEFENSE

Mr. SCRUGHAM. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point on the subject of national defense.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SCRUGHAM. Mr. Speaker, the spectacular performance and maneuvers of more than 400 planes flying over Washington on the past Saturday were a striking demonstration of what might happen at the Capital of the Nation during the years to come. If each of the planes had represented a hostile bomber dropping 1,000-pound projectiles, and our defenses had been obliterated as recently happened in Poland, Holland, Belgium, and France, then the city of Washington would be a bloody shambles today instead of a thriving center of government.

The unbelievable has happened during the past 6 months, and the same could well happen again during the next 6 months. It is becoming increasingly evident that this is a vital time for clear thinking on part of both the Congress and the electorate. Promises of a new world, free from doles and debts, as made by Mr. Willkie in his Yonkers speech on Saturday, are mere idle vaporings unless accompanied by something more concrete than an appeal to spiritually hungry people to follow him.

To be more specific, for decades this Nation has been inclined to follow implicitly the financial and social economics of the British Empire, which in turn has dominated their military concepts and their defense program.

The totalitarian forces now sweeping over Europe have utterly subordinated the financial phase of defense in their struggle with Britain. All else has been sacrificed by the dictatorships to the industrial and engineering economics involved in the warfare. In other words, while democracies have been materially retarded in their defense preparations by lengthy financial negotiations having to do with the award and execution of contracts, Germany, Italy, and Japan have no such delays. Here the contractor or his labor may at any time indulge in a sit-down strike if the financial remuneration is uncertain or unsatisfactory. In the totalitarian regime both the plants and their manpower are commandeered and money payments become a secondary consideration. This fact, added to the new mechanized technique in fighting, has completely overthrown or changed practically all of the military precedents to which we are accustomed. Vast financial resources are no longer essential for the successful conduct of war, as has been proven by recent events. Much of our advantage is thus lost.

The efficiency of the totalitarian system is illustrated by the rapid conquest of Norway, Denmark, Belgium, the Netherlands, and France. The dictatorships have already planned a similar program for South America, Asia, and Africa. Britain is to be stripped to the bone and further sudden strokes are contemplated looking to more world domination.

There is no denying that the situation daily becomes increasingly critical.

In the light of recent experience it is evident that the future safety of the United States will primarily be based upon its acquiring numerous long-range heavy bombing planes and control of bases for air attack.

The second great necessity is an ample supply of nitrates for the manufacture of high explosives. In both of these items there now appears a marked deficiency. The present airplane manufacturing capacity of the country is largely devoted to the production of training and light pursuit planes, but the time is here when the need for heavy bombers should be most urgently stressed. I have flown many thousand miles in great multimotored ships of this type and know of their merits from personal observation. Fortunately the heavy transport type of airplanes of our commercial air lines, with little modification, can be adapted to serve as long-range bombers, so that the situation is not as bad as would appear from a superficial survey.

Coincident with the construction of bombing planes must come an increased facility for manufacturing high explosives. If my information is correct, the present installed nitrate capacity, after taking care of other demands for national defense, will furnish only twenty-five 1,000-pound bombs per year to each of a contemplated bombing fleet of 10,000 planes. It would appear that additional nitrate manufacturing facilities should be provided at an early date.

As the Tennessee Valley power is mostly allocated to other activities I strongly recommend to the Defense Council that the Boulder Dam area, as well as the facilities in the Northwest, be investigated, looking to the establishment of more nitrate plants. Heavy bombs are a far more effective defense than rifle or machine-gun bullets.

The grave menace to the preparedness program in 1917 and 1918 was that too many agencies were trying to do the same thing, causing numerous changes of production and design, and likewise a conflict of authority. Delays from red tape would then have precipitated a tragedy had we not had military supplies available from the Allies. There are indications that the difficulties of the past emergency are being duplicated today. For this reason the House has added provisions to the last defense appropriation bill requiring reports at stated intervals from the Secretaries of War and Navy, which will at least tend to reveal the bottle-necks in production and possibly prevent a repetition of the experiences of the last war.

EXTENSION OF REMARKS

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a short article by Wilfred Parsons.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the RECORD a radio speech I delivered Friday evening.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MUNDT, Mr. MARTIN of Iowa, and Mr. ROBSION of Kentucky were given permission to extend their own remarks in the RECORD.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. SCHAFER]?

There was no objection.

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. MURRAY]?

There was no objection.

Mr. McLEOD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at the point of consideration by the House of House Concurrent Resolution No. 55.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. McLEOD]?

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement by the Steuben Society of America.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. FISH]?

There was no objection.

PRIVATE CALENDAR

The SPEAKER. The Clerk will report the first bill on the Private Calendar.

MARY PRUETT TOWNSEND

The Clerk called the first bill on the Private Calendar (H. R. 6711), for the relief of Mary Pruett Townsend.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Mary Pruett Townsend, mother of Charles Loyd Pruett, United States Navy, who died on December 17, 1934, is hereby allowed an amount equal to 6 months' pay at the rate Charles Loyd Pruett was receiving at the time of his death: *Provided*, That the said Mary Pruett Townsend shall establish to the satisfaction of the Secretary of the Navy her dependency upon her son, the late Charles Loyd Pruett.

With the following committee amendment:

Strike out all after the enacting clause, and insert the following: "That the Secretary of the Navy is hereby authorized and directed to pay, out of the current appropriation for "Pay, subsistence, and transportation, Navy", to Mary Pruett Townsend, of Asheville, N. C., mother of Charles Loyd Pruett, late seaman, first class, United States Navy, who died on December 17, 1934, at Anacostia, D. C., a sum equal to 6 months' pay at the rate received by Charles Loyd Pruett at the time of his death: *Provided*, That Mary Pruett Townsend shall first establish to the satisfaction of the Secretary of the Navy that she was actually dependent upon her son, Charles Loyd Pruett, at the time of his death, and the determination of such fact by the Secretary of the Navy shall be final and conclusive upon the accounting officers of the Government."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time; was read the third time, and passed, and a motion to reconsider was laid on the table.

MOSES LIMON AND IDA JULIA LIMON

The Clerk called the next bill, H. R. 9625, for the relief of Moses Limon and Ida Julia Limon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws the Secretary of Labor be, and is hereby, authorized and directed to record the lawful admittance for permanent residence of Moses Limon and Ida Julia Limon, natives and citizens of Poland, upon the date of the enactment of this act, and that they shall, for all purposes under the immigration and naturalization laws, be deemed to have been lawfully admitted to the United States as immigrants for permanent residence. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the Polish quota of the first year that the Polish quota is available.

With the following committee amendment:

Page 1, line 4, strike out "Secretary of Labor" and insert "Attorney General."

Page 1, line 11, after the word "residence", insert "as of December 13, 1930."

The committee amendments were agreed to.

Mr. CASE of South Dakota. Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: Page 1, lines 8 and 9, strike out "for all purposes under the immigration and naturalization laws" and insert in lieu thereof "if they are found to be otherwise admissible under the provisions of the immigration laws other than those relating to quotas."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. MICHEL KONNE AND PAULINE LUCIA KONNE

The Clerk called the next bill, H. R. 10244, for the relief of Dr. Michel Konne and Pauline Lucia Konne.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Dr. Michel Konne and Pauline Lucia Konne, as of February 2, 1940, the date on which they were admitted temporarily to the United States. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the Polish quota of the first year that the Polish quota is available.

Mr. HANCOCK. Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK: Page 1, line 8, after the words "United States", strike out the period and insert "if they are found to be otherwise admissible under the provisions of the immigration laws other than those relating to quotas."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LILLIAN M. REYMONDA

The Clerk called the next bill, H. R. 7916, granting 6 months' pay to Lillian M. Reymonda.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and directed to pay, out of the current appropriation "Pay of the Navy," to Lillian M. Reymonda, mother of the late Earl Morris Reymonda, seaman, United States Navy, an amount equal to 6 months' pay at the rate the late Earl Morris Reymonda was receiving at the date of his death: *Provided*, That Lillian M. Reymonda shall establish to the satisfaction of the Secretary of the Navy that she was actually dependent upon her late son at the time of his death, and the determination of the fact of such dependency by the Secretary of the Navy shall be final and conclusive upon the accounting officers of the Government.

With the following committee amendment:

Page 1, line 3, strike out all after the enacting clause and insert the following:

"That the Secretary of the Navy is hereby authorized and directed to pay, out of the current appropriation for 'Pay, Subsistence and Transportation, Navy,' to Lillian M. Reymonda, mother of Earl Morris Reymonda, late seaman, first class, United States Navy, who died on September 6, 1923, at Annapolis, Md., a sum equal to 6 months' pay at the rate received by Earl Morris Reymonda at the time of his death: *Provided*, That Lillian M. Reymonda shall first establish to the satisfaction of the Secretary of the Navy that she was actually dependent upon her son, Earl Morris Reymonda, at the time of his death, and the determination of such fact by the Secretary of the Navy shall be final and conclusive upon the accounting officers of the Government."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EUGENE GRUEN AND HIS WIFE KATE

The Clerk called the next bill, H. R. 10253, for the relief of Eugene Gruen and his wife Kate.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Eugene Gruen and his wife Kate as of February 8, 1938, the date on which they were admitted temporarily to the United States. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Rumania and one number from the quota for Hungary of the first year that the Rumanian and Hungarian quotas are available.

With the following committee amendment:

Page 1, line 8, after "States", insert "if they are found to be otherwise admissible under the provisions of the immigration laws, other than those relating to quotas."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES T. DULIN

The Clerk called the next bill, H. R. 10190, for the relief of Charles T. Dulin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credits in the accounts of the proper disbursing officers of the War Department and Post Office Department in the sums of $186 and $96.44, respectively, being amounts paid to Charles T. Dulin, for clerical services rendered by Charles T. Dulin in the War Department from July 18, 1918, to September 30, 1918, and in the Post Office Department from April 8, 1919, to May 8, 1919, inclusive, notwithstanding the provisions of section 6 of the act of May 10, 1916, as amended by the act of August 29, 1916, relating to dual compensation, said Charles T. Dulin having been carried during said employments on the pay roll of the House of Representatives as a transcriber in the office of the official reporters of debates, at the basic rate of compensation of $1,200 per annum plus an additional so-called wartime bonus of $120.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOWARD R. M. BROWNE

The Clerk called the next bill, H. R. 7784, for the relief of Howard R. M. Browne.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Howard R. M. Browne, of Kansas City, Kans., the sum of $137 in full settlement for baggage and property lost at La Nue, France, on or about June 14, 1918, while serving as a first lieutenant, Three Hundred and Seventieth Infantry, American Expeditionary Forces.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VELIE MOTORS CORPORATION

The Clerk called the next bill, H. R. 6489, to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Velie Motors Corporation.

Mr. COSTELLO and Mr. CASE of South Dakota objected, and, under the rule, the bill was recommitted to the Committee on War Claims.

BARTHOLOMEW LAWLER

The Clerk called the next bill, H. R. 4257, for the relief of the estate of Bartholomew Lawler.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to issue and register 12 adjusted-service bonds of 1945 in the name of Bartholomew Lawler, A-3255216, and deliver and pay them and the sum of $18.24 to the persons entitled to the estate of Bartholomew Lawler in accordance with the terms of the Adjusted Compensation Payment Act, 1936, as amended (U. S. C., 1934 ed., Supp. IV, title 38, ch. 11A), and the regulations prescribed thereunder. The Adjusted Service Certificate Fund is hereby made available for the expenditures authorized by this act, and there is hereby appropriated to such fund out of any money in the Treasury not otherwise appropriated, the sum of $618.24, such sum to be in addition to all other appropriations heretofore made to such fund.

With the following committee amendment:

On page 2, beginning in line 2, after the word "thereunder", strike out all down to and including all of line 7, and insert in lieu thereof the following: "There is hereby appropriated for the purpose of this act, out of any money in the Treasury not otherwise appropriated, the sum of $618.24."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. WILHELM WOLFGANG KRAUSS

The Clerk called the next bill, H. R. 10219, for the relief of Dr. Wilhelm Wolfgang Krauss.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That from and after date of the approval of this act Dr. Wilhelm Wolfgang Krauss, who was admitted into the United States for a temporary stay on September 1, 1934, and who is a Swedish citizen, shall be deemed to have been lawfully admitted as an immigrant for permanent residence.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MEIER LANGERMANN, HIS WIFE FRIEDERIKE, AND SON JOSEPH

The Clerk called the next bill, H. R. 10245, for the relief of Meier Langermann, his wife Friederike, and son Joseph.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Meier Langermann, his wife Friederike, and son Joseph, as of April 12, 1939, the date on which they were admitted temporarily to the United States. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct three numbers from the Polish quota of the first year that the said Polish quota is available.

Mr. CASE of South Dakota. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: On page 1, line 9, after "States", strike out the period and insert a comma and the following, "if they are found to be otherwise admissible under the provisions of the immigration laws, other than those relating to quotas."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOWARD MONDT

The Clerk called the next bill, H. R. 8705, for the relief of Howard Mondt.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 1118, Revised Statutes, the Secretary of War be, and he is hereby, authorized to reenlist in the United States Army Howard Mondt, Air Corps, Hamilton Field, Calif., at the expiration of the said Howard Mondt's present period of enlistment on November 9, 1940, and on such future dates as the said Howard Mondt may make application for reenlistment.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: On page 1, line 10, strike out the period and insert a colon and the following: "*Provided*, That he meets the other requirements for enlistment in the Army."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NELLIE MERRIMAN

The Clerk called the next bill, H. R. 9756, granting an increase of pension to Nellie Merriman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws, the name of Nellie Merriman, widow of Truman A. Merriman, late of Company B, Ninety-second Regiment New York Volunteer Infantry, and pay her a pension at the rate of $75 per month in lieu of that she is now receiving.

With the following committee amendments:

Page 1, line 6, after the word "Nellie", insert "J", and strike out in line 7, "of Company B" and insert "lieutenant colonel."

Amend the title.

The committee amendments were agreed to.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: On page 1, line 9, after the word "of", strike out "$75" and insert "$50."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed; and a motion to reconsider was laid on the table.

PENSIONS AND INCREASE OF PENSIONS TO CERTAIN DEPENDENTS OF VETERANS OF THE CIVIL WAR

The Clerk called the next bill, H. R. 10541, granting pensions and increase of pensions to certain dependents of veterans of the Civil War.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws—

The name of Mary E. Fox, former widow of George A. Ringer, late of Company C, Sixty-first Regiment New York Infantry, and pay her a pension at the rate of $20 per month and increase the rate to $30 per month from and after the date she shall have attained the age of 60 years, which fact shall be determined by the submission of satisfactory evidence by the beneficiary to the Veterans' Administration.

The name of Harriet C. Thoroman, widow of William T. Thoroman, late of Company G, One Hundred and Eighty-second Regiment Ohio Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Louise Phillips, widow of Charles H. Phillips, late of Company H, Third Regiment Rhode Island Heavy Artillery, and Company D, Tenth Regiment Connecticut Infantry, and the United States Navy under the name of Charles Williams, and pay her a pension at the rate of $20 per month and increase the rate to $30 per month from and after the date she shall have attained the age of 60 years, which fact shall be determined by the submission of satisfactory evidence by the beneficiary to the Veterans' Administration.

The name of Maggie Crist, widow of Abraham Crist, late of Company I, One hundred and Forty-fourth Regiment Indiana Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Mary J. Tallmadge, widow of Byron Tallmadge, late of Company F, Third Regiment New York Light Artillery, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Maryette E. Wanamaker, widow of Benjamin F. Wanamaker, late of Company H, Twentieth Regiment Ohio Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Amee Turner, helpless and dependent daughter of John J. Turner, late of Company B, One Hundred and Fifty-first Regiment Illinois Infantry, and pay her a pension at the rate of $20 per month.

The name of Laura M. Dellinger, widow of John W. Dellinger, late of Company G, Eleventh Regiment Ohio Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Maggie Custard, widow of Jesse Custard, late of Company K, One Hundred and Seventeenth Regiment United States Colored Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Mary A. Ruble, widow of L. C. Ruble, late of Capt. William F. Pell's company of independent scouts of Wirt County, W. Va., State troops, and pay her a pension at the rate of $30 per month.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ERNST GOTTLIEB, WIFE MARGOT, AND DAUGHTER MARY

The Clerk called the next bill, H. R. 10311, for the relief of Ernst Gottlieb, his wife, Margot, and daughter, Mary.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Ernst Gottlieb, his wife, Margot, and daughter, Mary, as of September 1, 1939, September 1, 1939, and October 31, 1939, respectively, the dates on which they were admitted temporarily to the United States. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Czechoslovakian quota, one number from the German quota, and one number from the quota for Great Britain and Northern Ireland of the first year that the said Czechoslovakian, German, and Great Britain and Northern Ireland quotas are available.

Mr. HANCOCK. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Hancock: Page 1, line 9, after the words "United States", strike out the period and insert "if found to be otherwise admissible under the provisions of the immigration laws other than those relating to quotas."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. FRANTISEK BLONEK AND ERNA BLONEK

The Clerk called the next bill, H. R. 10326, for the relief of Dr. Frantisek Blonek and Erna Blonek.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Dr. Frantisek Blonek and Erna Blonek, as of April 28, 1939, the date on which they were admitted temporarily to the United States. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the Czechoslovakian quota of the first year that the Czechoslovakian quota is available.

Mr. HANCOCK. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Hancock: On page 1, line 8, after the words "United States", strike out the period and insert "if found to be admissible under the provisions of the immigration laws other than those relating to quotas."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANCO-AMERICAN CONSTRUCTION CO.

The Clerk called the next bill, S. 3437, for the relief of the Franco-American Construction Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Franco-American Construction Co. the sum of $4,258.60 in full settlement of its claims against the United States growing out of a certain contract it had with the Government of the United States for the construction of an extension to the power plant building No. 41, at the Navy Yard, New York, N. Y., together with certain incidental work in connection therewith: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$4,258.60" and insert "$9,323.75."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN L. SUMMERS

The Clerk called the next bill, H. R. 10194, for the relief of the late John L. Summers, former disbursing clerk, Treasury Department.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of the late John L. Summers, former disbursing clerk, Treasury Department, for all payments allowed in his accounts by certificate of settlement No. G–98954–T, dated January 19, 1940, in the amount of $12,023.75, together with the amounts of any additional payments which may be or may have been suspended or disallowed in his accounts more than 3 years after such payments were made: *Provided*, That the Secretary of the Treasury shall certify that in his opinion there is no evidence of fraud on the part of such former disbursing clerk in connection with such payments.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GUY F. ALLEN

The Clerk called the next bill (H. R. 10354) for the relief of Guy F. Allen, Chief Disbursing Officer, Treasury Department, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow in the accounts of Guy F. Allen, chief disbursing officer, Treasury Department, sums aggregating not to exceed $7,193.35, disallowed in his accounts, without raising charges against the officers who certified the vouchers for payment, covering payments made by him in the period from April 1, 1935, to September 30, 1936.

SEC. 2. The Comptroller General of the United States is authorized and directed to allow in the accounts of Frank White, deceased, H. T. Tate, W. O. Woods, and W. A. Julian, sums of not to exceed $34,867.48, $4,146.72, $44,316.76, and $77,727.83, respectively, representing unavailable items in their accounts as former Treasurers and Treasurer of the United States: *Provided*, That any recoveries heretofore or hereafter made in respect of any of the foregoing items may, in the discretion of the Comptroller General of the United States, be applied to offset unavailable items of a similar character hereafter arising in the accounts of the former Treasurers and Treasurer to whose account the recovery pertains, upon a showing that such unavailable items have occurred without fault or negligence on the part of said former Treasurers and Treasurer.

SEC. 3. The sum of $1,345.30 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to cover losses in the Office of the Treasurer of the United States due to cashing of checks of a remarried widow, and issuance of checks for excessive amounts to veterans in redemption of bonds by postmasters.

SEC. 4. For the purpose of adjusting the accounts relating to the public debt of the United States, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $2,437.46 which shall be deposited by the Secretary of the Treasury in the accounts of the Treasurer of the United States as public debt receipts: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROLAND HANSON AND DR. E. A. JULIEN

Mr. KENNEDY of Maryland submitted the following conference report and statement on the bill (S. 1160) for the relief of Roland Hanson, a minor, and Dr. E. A. Julien:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1160) entitled "An Act for the relief of Roland Hanson, a minor, and Doctor E. A. Julien," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same with an amendment, as follows: In lieu of the figures "$2,000" insert "$1,250"; and the House agree to the same.

That the Senate recede from its disagreement to the amendments of the House numbered 2, 3 and 4, and agree to the same.

AMBROSE J. KENNEDY,
ROBERT RAMSPECK,
J. PARNELL THOMAS,
Managers on the part of the House.

ALLEN J. ELLENDER,
H. H. SCHWARTZ,
ALEXANDER WILEY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1160), for the relief of Roland Hanson, a minor, and Dr. E. A. Julien, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report.

In consideration of this Senate bill, your Committee believed that the amounts recommended in the bill were insufficient, and therefore increased the amount to be paid to the legal guardian of Roland Hanson from $500 to $2,000. Roland Hanson is a minor who suffered certain injuries as a result of being struck by a United States Army truck. The Committee also increased the amount to be paid to Dr. E. A. Julien from $200 to $500. Dr. Julien rendered certain professional services to the said Roland Hanson.

At the conference an agreement was reached on a compromise in the amount of $1,250 for Roland Hanson, and the House conferees receded from their amendment on the amount to be paid to Dr. Julien.

AMBROSE J. KENNEDY,
ROBERT RAMSPECK,
J. PARNELL THOMAS,
Managers on the part of the House.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the statement.

The conference report was agreed to.

A motion to reconsider was laid on the table.

C. Z. BUSH AND W. D. KENNEDY

Mr. KENNEDY of Maryland submitted the following conference report and statement on the bill (H. R. 3481), for the relief of C. Z. Bush and W. D. Kennedy, which was referred to the Union Calendar and ordered printed:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3481) entitled "An Act for the relief of C. Z. Bush and W. D. Kennedy", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the figures "$1,204.50" insert "$1,704.50"; and the House agree to the same.

AMBROSE J. KENNEDY,
ROBERT RAMSPECK,
J. PARNELL THOMAS,
Managers on the part of the House.

PRENTISS M. BROWN,
H. H. SCHWARTZ,
ARTHUR CAPPER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3481), for the relief of C. Z. Bush and W. D. Kennedy, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report.

The bill as it passed the House provided for the payment of the sum of $2,500 to C. Z. Bush for personal injuries and $72.80 to W. D. Kennedy for property damage growing out of a collision involving the car in which they were riding and a truck of the Civilian Conservation Corps. The Senate reduced the amount to be paid to Mr. Bush from $2,500 to $1,204.50.

At the conference a compromise of $1,704.50 was agreed upon.

AMBROSE J. KENNEDY,
ROBERT RAMSPECK,
J. PARNELL THOMAS,
Managers on the part of the House.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill H. R. 3481, and I ask unanimous consent that the Clerk may read the statement in lieu of the report.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the statement as above set out.

The conference report was agreed to.

A motion to reconsider was laid on the table.

WARREN ZIMMERMAN

Mr. KENNEDY of Maryland submitted the following conference report and statement on the bill (H. R. 4126) for the relief of Warren Zimmerman, which was referred to the Union Calendar and ordered printed:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4126) entitled "An Act for the relief of Warren Zimmerman", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the figures "$304.08" insert "$580.26"; and the House agree to the same.

AMBROSE J. KENNEDY,
ROBERT RAMSPECK,
J. PARNELL THOMAS,
Managers on the part of the House.

ALLEN J. ELLENDER,
H. H. SCHWARTZ,
ARTHUR CAPPER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4126), for the relief of Warren Zimmerman, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report.

This bill as it passed the House provided for the payment of $877.09 for losses sustained because of the failure of the postmaster and postal employees at Lawrence, Kansas, to handle mail deposited in that post office in accordance with the understanding and agreement made with this patron.

Several items made up this total amount, and the Senate when passing the bill reduced the amount to $304.08, reporting one item alone, namely, postage.

At the conference the Senate conferees agreed to also allow an item of $276.18, representing stock used in the transaction. The compromise, therefore, was in the amount of $580.26.

AMBROSE J. KENNEDY,
ROBERT RAMSPECK,
J. PARNELL THOMAS,
Managers on the part of the House.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 4126) for the relief of Warren Zimmerman, and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the statement as above set out.

The conference report was agreed to.

A motion to reconsider was laid on the table.

ORGANIZING STATE MILITARY UNITS

Mr. THOMASON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 10495), to amend section 61 of the National Defense Act of June 3, 1916, by adding a proviso which will permit States to organize military units not a part of the National Guard, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MICHENER. Mr. Speaker, reserving the right to object, will the gentleman state what the bill is?

Mr. THOMASON. Mr. Speaker, this is what is commonly known as the home guard bill, which comes to us upon the recommendation of the War Department. It has the approval of the Bureau of the Budget and the unanimous recommendation of the House Committee on Military Affairs. It is to provide for the organization of military units in local communities not a part of the National Guard. It is a very important and necessary bill in the present emergency.

Mr. MICHENER. Of course, it is a very important bill and while I am sure it has plenty of parentage and recommendation back of it, I think the gentleman ought to explain in a general way what the bill does.

Mr. THOMASON. With the consent of the gentleman from Michigan, I yield to the gentleman from New York [Mr. ANDREWS], the author of the bill, who is more familiar with the details of it than I am.

Mr. ANDREWS. This merely authorizes the various States to have troops for local defense in lieu of their own National Guard units, once they are ordered into Federal service. Without the passage of this legislation and the section permitting the loan of equipment by the War Department, we would have men in the State armories without rifles.

Mr. FISH. Will the gentleman yield?

Mr. MICHENER. I yield.

Mr. FISH. All this bill does, as I understand it, is to make rifles available for the home guard. Otherwise they would be using broomsticks to train with?

Mr. ANDREWS. The gentleman is correct.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. MICHENER. I yield.

Mr. AUGUST H. ANDRESEN. Is it my understanding that the men who enlist in the home guard will enlist voluntarily and serve without pay?

Mr. ANDREWS. That is correct, under their own State statutes. Of course, they are paid by their own State.

Mr. AUGUST H. ANDRESEN. But it is no draft or conscription; it is simply a voluntary service?

Mr. ANDREWS. That is correct.

Mr. VAN ZANDT. Will the gentleman yield?

Mr. MICHENER. I yield.

Mr. VAN ZANDT. This bill will simply reenact the World War statute, under which home-defense groups functioned during the World War period, and, of course, as the gentleman knows, such statute permitted the Government to loan these defense groups the necessary equipment.

Mr. THOMASON. And it is entirely voluntary.

Mr. MICHENER. Mr. Speaker, further reserving the right tc object, and I shall not object, I however want to call the attention of the committee to this fact: National defense is vital and it is important, and we must pass the necessary measures with due expedition. At the same time, we must not get into the habit of having a committee bring in a bill which, in substance, may set up an entirely new branch of our national defense—so far as State defense is concerned—and pass it unanimously without the House knowing anything about it, and then waking up the next morning to find we have granted a lot of powers and done a lot of things, even though in the best of spirits, that should not have been done.

Mr. THOMASON. I agree with all the gentleman has said, but may I add this bill meets with the approval of the adjutant generals of the various States; it has the enthusiastic support and endorsement of the War Department. In fact, it was initiated by them, but the committee gave very careful

consideration and deliberate study to the suggestions made by the gentleman from Michigan and the committee has no desire to go contrary to the views expressed by him.

Mr. MICHENER. Of course, there are Members here who do not always agree with everything that the War Department or an adjutant general of some State or even a constable of a State may say.

Mr. THOMASON. I have discovered that.

The SPEAKER. Is there objection to the present consideration of the bill:

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 61 of the National Defense Act of June 3, 1916, be amended to read as follows:

"No State shall maintain troops in time of peace other than as authorized in accordance with the organization prescribed under this act: *Provided*, That nothing contained in this act shall be construed as limiting the rights of the States and Territories in the use of the National Guard within their respective borders in time of peace: *Provided further*, That nothing contained in this act shall prevent the organization and maintenance of State police or constabulary: *Provided further*, That the organization by and maintenance within any State of military forces other than National Guard is hereby authorized while any part of the National Guard of the State concerned is in active Federal service or during any national emergency declared by Congress or the President; however, no person shall, by reason of his membership in any such unit, be exempted from military service under any Federal law: *And provided further*, That the Secretary of War in his discretion and under regulations determined by him is authorized to issue from time to time for the use of such military units to any State, upon requisition of the Governor thereof, such arms and equipment as may be in possession of and can be spared by the War Department."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOUR OF MEETING

Mr. McCORMACK. Mr. Speaker, I renew the request I made a few moments ago that when the House adjourns today it adjourn to meet tomorrow at 11 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from Ohio [Mr. CROSSER].

RAILROAD UNEMPLOYMENT INSURANCE ACT

Mr. CROSSER. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3920) to amend the Railroad Unemployment Insurance Act, approved June 25, 1938, as amended June 20, 1939, and for other purposes, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is a second demanded?

Mr. WOLVERTON of New Jersey. Mr. Speaker, I demand a second.

Mr. CROSSER. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the provisions of this act shall take effect on November 1, 1940, except that sections 2, 11, 25, 26, and 27 shall be effective as of July 1, 1940, and sections 19 and 20 shall become effective upon the approval of this act: *Provided, however*, That—

(a) A half-month which has begun prior to November 1, 1940, in accordance with the Railroad Unemployment Insurance Act and regulations thereunder, and which includes such date, shall continue, and benefits with respect thereto shall be computed and paid as if this act had not been enacted;

(b) All benefit years current on October 31, 1940, shall terminate (1) on October 31, 1940, or (2) on the last day of a half-month which includes October 31, 1940, and November 1, 1940, whichever is later, and, for the purposes of section 2 (c) of the Railroad Unemployment Insurance Act, as amended by this act, all benefits paid for unemployment in half-months begun subsequent to June 30, 1940, and prior to November 1, 1940, shall be deemed to have been paid for unemployment within the benefit year ending June 30, 1941;

(c) Benefits for unemployment in the first registration period, beginning after October 31, 1940, of an employee who has, subsequent to June 30, 1940, completed a waiting period under section 3 (b) of the Railroad Unemployment Insurance Act, shall be determined and computed as though such registration period were a subsequent registration period in the same benefit year.

SEC. 2. Subsection (g) of section 1 of the Railroad Unemployment Insurance Act, approved June 25, 1938 (52 Stat. 1094), as amended June 20, 1939 (53 Stat. 845), is hereby amended by adding thereto the following sentence: "For the purposes of determining eligibility for and the amount of benefits and the amount of contributions due pursuant to this act, employment after June 30, 1940, in the service of a local lodge or division of a railway-labor-organization employer or as an employee representative shall be disregarded."

SEC. 3. Subsection (h) of section 1 of said act is hereby amended to read as follows:

(h) The term "registration period" means, with respect to any employee, the period which begins with the first day for which such employee registers at an employment office in accordance with such regulations as the Board may prescribe, and ends with whichever is the earlier of (i) the thirteenth day thereafter, or (ii) the day immediately preceding the day for which he next registers at a different employment office; and thereafter each period which begins with the first day for which he next registers at an employment office after the end of his last preceding registration period and ends with whichever is the earlier of (i) the thirteenth day thereafter, or (ii) the day immediately preceding the day for which he next registers at a different employment office.

SEC. 4. Subsection (j) of section 1 of said act is hereby amended by inserting between the first and second sentences thereof the following: "The term 'remuneration' includes also earned income other than for services for hire if the accrual thereof in whole or in part is ascertainable with respect to a particular day or particular days."

SEC. 5. Subsection (k) of section 1 of said act is hereby amended to read as follows:

"(k) Subject to the provisions of section 4 of this act, a day of unemployment, with respect to any employee, means a calendar day on which he is able to work and is available for work and with respect to which (i) no remuneration is payable or accrues to him, and (ii) he has, in accordance with such regulations as the Board may prescribe, registered at an employment office: *Provided, however*, That 'subsidiary remuneration,' as hereinafter defined in this subsection, shall not be considered remuneration for the purpose of this subsection except with respect to an employee whose base-year compensation, exclusive of earnings from the position or occupation in which he earned such subsidiary remuneration, is less than $150: *Provided further*, That remuneration for a working day which includes a part of each of 2 consecutive calendar days shall be deemed to have been earned on the second of such 2 days, and any individual who takes work for such working day shall not by reason thereof be deemed not available for work on the first of such calendar days.

"For the purpose of this subsection, the term 'subsidiary remuneration' means, with respect to any employee, remuneration not in excess of an average of $1 a day for the period with respect to which such remuneration is payable or accrues, if the work from which the remuneration is derived (i) requires substantially less than full time as determined by generally prevailing standards, and (ii) is susceptible of performance at such times and under such circumstances as not to be inconsistent with the holding of normal full-time employment in another occupation."

SEC. 6. Subsection (m) of section 1 of said act is hereby amended by striking out the designation "(m)" and substituting "(l)" therefor.

SEC. 7. Subsection (n) of section 1 of said act is hereby amended to read as follows:

"(m) The term 'benefit year' means the 12-month period beginning July 1 of any year and ending June 30 of the next year, except that a registration period beginning in June and ending in July shall be deemed to be in the benefit year ending in such month of June."

SEC. 8. Subsection (l) of section 1 of said act is hereby transferred to follow the subsection relettered as "(m)," and is amended to read as follows:

"(n) The term 'base year' means the completed calendar year immediately preceding the beginning of the benefit year."

SEC. 9. Subsection (a) of section 2 of said act is hereby amended to read as follows:

"(a) Benefits shall be payable to any qualified employee (as defined in sec. 3 of this act) (i) for each day of unemployment in excess of 7 during the first registration period, within a benefit year, in which he has 7 or more days of unemployment, and (ii) for each day of unemployment in excess of 4 during any subsequent registration period beginning in the same benefit year.

"The benefits payable to any such employee for each such day of unemployment shall be the amount appearing in the following table in column II on the line on which, in column I, appears the compensation range containing the total amount of compensation payable to him with respect to employment in his base year:

"Column I Total compensation	Column II Daily benefit rate
$150 to $199.99	$1.75
$200 to $474.99	2.00
$475 to $749.99	2.25
$750 to $999.99	2.50
$1,000 to $1,299.99	3.00
$1,300 to $1,599.99	3.50
$1,600 and over	4.00"

SEC. 10. Subsection (c) of section 2 of said act is hereby amended to read as follows:

"(c) The maximum number of days of unemployment within a benefit year for which benefits may be paid to an employee shall be 100."

SEC. 11. Subsection (d) of section 2 of said act is hereby amended to read as follows:

"(d) If the Board finds that at any time more than the correct amount of benefits has been paid to any individual under this act or a payment has been made to an individual not entitled thereto (including payments made prior to July 1, 1940), recovery by adjustments in subsequent payments to which such individual is entitled under this act or any other act administered by the Board may, except as otherwise provided in this subsection, be made under regulations prescribed by the Board. If such individual dies before recovery is completed, recovery may be made by set-off or adjustments, under regulations prescribed by the Board, in subsequent payments due, under this act or any other act administered by the Board, to the estate, designee, next of kin, legal representative, or surviving spouse of such individual, with respect to the employment of such individual.

"Adjustments under this subsection may be made either by deductions from subsequent payments or, with respect to payments which are to be made during a lifetime or lifetimes, by subtracting the total amount of benefits paid in excess of the proper amount from the actuarial value, as determined by the Board, of such payments to be made during a lifetime or lifetimes and recertifying such payments on the basis of the reduced actuarial value. In the latter case, recovery shall be deemed to have been completed upon such recertification.

"There shall be no recovery in any case in which more than the correct amount of benefits has been paid to an individual or payment has been made to an individual not entitled thereto (including payments made prior to July 1, 1940) who, in the judgment of the Board, is without fault when, in the judgment of the Board, recovery would be contrary to the purpose of this act or would be against equity or good conscience.

"No certifying or disbursing officer shall be held liable for any amount certified or paid by him in good faith to any person where the recovery of such amount is waived under the third paragraph of this subsection or has been begun but cannot be completed under the first paragraph of this subsection."

SEC. 12. Subsection (f) of section 2 of said act is hereby amended to read as follows:

"(f) If (i) benefits are paid to any employee with respect to unemployment in any registration period, and it is later determined that remuneration is payable to such employee with respect to any period which includes days in such registration period which had been determined to be days of unemployment, and (ii) the person or company from which such remuneration is payable has, before payment thereof, notice of the payment of benefits upon the basis of days of unemployment included in such period, the remuneration so payable shall not be reduced by reason of such benefits but the remuneration so payable, to the extent to which benefits were paid upon the basis of days which had been determined to be days of unemployment and which are included in the period for which such remuneration is payable, shall be held to be a special fund in trust for the Board. The amount of such special fund shall be paid to the Board, and in the collection thereof the Board shall have the same authority, and the same penalties shall apply, as are provided in section 8 of this act with respect to contributions. The proceeds of such special fund shall be credited to the account. Such benefits, to the extent that they are represented in such a special fund which has been collected by the Board, shall be disregarded for the purposes of subsection (c) of this section."

SEC. 13. Section 3 of said act is hereby amended to read as follows:

"QUALIFYING CONDITION

"SEC. 3. An employee shall be a 'qualified employee' if the Board finds that there was payable to him compensation of not less than $150 with respect to the base year."

SEC. 14. Paragraph (ii) of subsection (a) of section 4 of said act is hereby amended to read as follows:

"(ii) any of the 30 days beginning with the day with respect to which the Board finds that he failed, without good cause, to accept suitable work available on such day and offered to him, or to comply with instructions from the Board requiring him to apply for suitable work or to report, in person or by mail, as the Board may require, to an employment office;"

SEC. 15. Paragraph (iv) of subsection (a) of section 4 of said act is hereby amended to read as follows:

"(iv) any of the 75 days beginning with the first day of any registration period with respect to which the Board finds that he knowingly made or aided in making or caused to be made any false or fraudulent statement or claim for the purpose of causing benefits to be paid."

SEC. 16. Paragraph (v) of subsection (a) of section 4 of said act is hereby amended to read as follows:

"(v) any day in any period with respect to which the Board finds that he is receiving or has received annuity payments or pensions under the Railroad Retirement Act of 1935 or the Railroad Retirement Act of 1937, or insurance benefits under title II of the Social Security Act, or payments for similar purposes under any other act of Congress, or unemployment benefits under an unemployment-compensation law of any State or of the United States other than this act: *Provided*, That if an employee receives or is held entitled to receive any such payment, other than unemployment benefits, with respect to any period which includes days of unemployment in a registration period, after benefits under this act for such registration period have been paid, the amount by which such benefits under this act were increased by including such days as days of unemployment shall be recoverable by the Board: *And provided further*, That if any part of any such payment or payments, other than unemployment benefits, which is apportionable to such days of unemployment is less in amount than the benefits under this act which, but for this paragraph, would be payable and not recoverable with respect to such days of unemployment, the preceding provisions of this paragraph shall not apply but such benefits under this act for such days of unemployment shall be diminished or recoverable in the amount of such part of such other payment or payments."

SEC. 17. Paragraph (vi) of subsection (a) of section 4 of said act is hereby amended to read as follows:

"(vi) any day in any registration period with respect to which period the Board finds that he earned, in train and engine service, yard service, dining-car service, sleeping-car service, parlor-car service, or other Pullman-car or similar service, or express service on trains, at least the equivalent of 20 times his daily benefit rate."

SEC. 18. Subsection (a) of section 4 of said act is hereby further amended by adding thereto the following paragraphs:

"(vii) any day in any registration period comprising the last 14 days of a period of 28 days with respect to which period of 28 days the Board finds that he earned, in train and engine service, yard service, dining-car service, sleeping-car service, parlor-car service, or other Pullman-car or similar service, or express service on trains, at least the equivalent of 40 times his daily benefit rate;

"(viii) any day which is a Sunday or which the Board finds is generally observed as a holiday in the locality in which he registered for such day, unless such day was immediately preceded by a day of unemployment and immediately followed by a day of unemployment or was the last day in a registration period and was immediately preceded by a day of unemployment: *Provided*, That if two or more consecutive days are a Sunday and one or more holidays, then with respect to any employee such consecutive days shall not be considered as days of unemployment unless they were immediately preceded by a day of unemployment and immediately followed by a day of unemployment or the last of such days was the last day of a registration period and such days were immediately preceded by a day of unemployment."

SEC. 19. The first sentence of subsection (c) of section 5 of said act is hereby amended to read as follows: "Each qualified employee whose claim for benefits has been denied in whole or in part upon an initial determination with respect thereto upon a basis other than one which is reviewable pursuant to one of the succeeding paragraphs of this subsection, shall be granted an opportunity for a fair hearing thereon before a district board."

SEC. 20. Subsection (c) of section 5 of said act is hereby further amended by adding thereto the following paragraphs:

"Any claimant whose claim for benefits has been denied in an initial determination with respect thereto upon the basis of his not being a qualified employee, and any claimant who contends that under an initial determination of his claim he has been awarded benefits at less than the proper rate, may appeal to the Board for the review of such determination. Thereupon the Board shall review the determination and for such review may designate one of its officers or employees to receive evidence and to report to the Board thereon together with recommendations. In any such case the Board or the person so designated shall, by publication or otherwise, notify all parties properly interested of their right to participate in the proceeding and, if a hearing is to be held, of the time and place of the hearing. At the request of any party properly interested the Board shall provide for a hearing, and may provide for a hearing on its own motion. The Board shall prescribe regulations governing the appeals provided for in this paragraph and for decisions upon such appeal.

"In any case in which benefits are awarded to a claimant in whole or in part upon the basis of pay earned in the service of a person or company found by the Board to be an employer as defined in this act but which does not comply with the provisions of this act and denies that it is such an employer, such benefits awarded on such basis shall be paid to such claimant subject to a right of recovery of such benefits. The Board shall thereupon designate one of its officers or employees to receive evidence and to report to the Board on whether such benefits should be repaid. In any such case the Board or the person so designated shall, by publication or otherwise, notify all parties properly interested of their

right to participate in the proceeding and, if a hearing is to be held, of the time and place of the hearing. At the request of any party properly interested the Board shall provide for a hearing, and may provide for a hearing on its own motion. The Board shall prescribe regulations governing the proceedings provided for in this paragraph and for decisions upon such proceedings.

"Final decision of the Board in the cases provided for in the preceding two paragraphs shall be communicated to the claimant and to the other interested parties within 15 days after it is made. Any properly interested party notified, as hereinabove provided, of his right to participate in the proceedings may obtain a review of any such decision by which he claims to be aggrieved or the determination of any issue therein in the manner provided in subsection (f) of this section with respect to the review of the Board's decisions upon claims for benefits and subject to all provisions of law applicable to the review of such decisions. Subject only to such review, the decision of the Board upon all issues determined in such decision shall be final and conclusive for all purposes and shall conclusively establish all rights and obligations, arising under this act, of every party notified as hereinabove provided of his right to participate in the proceedings."

SEC. 21. Section 6 of said act is hereby amended to read as follows:

"SEC. 6. Employers shall file with the Board, in such manner and at such times as the Board by regulations may prescribe, returns under oath of compensation of employees, and, if the Board shall so require, shall distribute to employees annual statements of compensation: *Provided*, That no returns shall be required of employers which would duplicate information contained in similar returns required under any other act of Congress administered by the Board. The Board's record of the compensation so returned shall, for the purpose of determining eligibility for and the amount of benefits, be conclusive as to the amount of compensation earned by an employee during the period covered by the return, and the fact that the Board's records show that no return was made of the compensation claimed to be earned by an employee during a particular period shall, for the purposes of determining eligibility for and the amount of benefits, be taken as conclusive that no compensation was earned by such employee during that period, unless the error in the amount of compensation in the one case, or failure to make or record return of the compensation in the other case, is called to the attention of the Board within 18 months after the date on which the last return covering any portion of the calendar year which includes such period is required to have been made."

SEC. 22. Subsection (d) of section 11 of said act is hereby amended to read as follows:

"(d) So much of the balance in the fund as of June 30 of each year as is in excess of $6,000,000 shall as of such date be transferred from the fund and credited to the account."

SEC. 23. The first paragraph of subsection (l) of section 12 of said act is hereby amended by adding thereto the following sentence: "A person in the employ of the Board on June 30, 1939, and on June 30, 1940, and who has had experience in railroad service, shall acquire a competitive classified civil-service status if, after recommendation by the Board to the Civil Service Commission, he shall pass such noncompetitive tests of fitness for the position for which the Board recommends him as the Civil Service Commission may prescribe."

SEC. 24. Subsection (l) of section 12 of said act is hereby further amended by changing the period at the end thereof to a colon and adding the following: "*And provided further*, That, for the purpose of registering unemployed employees who reside in areas in which no employer facilities are located, or in which no employer will make facilities available for the registration of such employees, the Board may, without regard to civil-service laws and the Classification Act of 1923, appoint persons to accept, in such areas, registration of such employees and perform services incidental thereto and may compensate such persons on a piece-rate basis to be determined by the Board. Notwithstanding the provisions of the act of June 22, 1906 (34 Stat. 449), or any other provision of law, the Board may detail employees from stations outside the District of Columbia to other stations outside the District of Columbia or to service in the District of Columbia, and may detail employees in the District of Columbia to service outside the District of Columbia: *Provided*, That all details hereunder shall be made by specific order and in no case for a period of time exceeding 120 days. Details so made may, on expiration, be renewed from time to time by order of the Board, in each particular case, for periods not exceeding 120 days."

SEC. 25. Subsection (h) of section 1 of the Railroad Retirement Act of 1937 (50 Stat. 307) is hereby amended by adding thereto the following sentence: "For the purposes of determining monthly compensation and years of service and for the purposes of subsections (a), (c), and (d) of section 2 and subsection (a) of section 5 of this act, compensation earned in the service of a local lodge or division of a railway labor organization employer shall be disregarded with respect to any calendar month if the amount thereof is less than $3 and (1) such compensation is earned between December 31, 1936, and April 1, 1940, and taxes thereon pursuant to sections 2 (a) and 3 (a) of the Carriers Taxing Act of 1937 or sections 1500 and 1520 of the Internal Revenue Code are not paid prior to July 1, 1940; or (2) such compensation is earned after March 31, 1940.

SEC. 26. Section 9 of the Railroad Retirement Act of 1937 is hereby amended to read as follows:

"SEC. 9. (a) If the Board finds that at any time more than the correct amount of annuities, pensions, or death benefits has been paid to any individual under this act or the Railroad Retirement Act of 1935 or a payment has been made to an individual not entitled thereto (including payments made prior to July 1, 1940), recovery by adjustments in subsequent payments to which such individual is entitled under this act or any other act administered by the Board may, except as otherwise provided in this section, be made under regulations prescribed by the Board. If such individual dies before recovery is completed, recovery may be made by set-off or adjustments, under regulations prescribed by the Board, in subsequent payments due, under this act or any other act administered by the Board, to the estate, designee, next of kin, legal representative, or surviving spouse of such individual, with respect to the employment of such individual.

"(b) Adjustments under this section may be made either by deductions from subsequent payments or, with respect to payments which are to be made during a lifetime or lifetimes, by subtracting the total amount of annuities, pensions, or death benefits paid in excess of the proper amount from the actuarial value, as determined by the Board, of such payments to be made during a lifetime or lifetimes and recertifying such payments on the basis of the reduced actuarial value. In the latter case, recovery shall be deemed to have been completed upon such recertification.

"(c) There shall be no recovery in any case in which more than the correct amount of annuities, pensions, or death benefits under this act or the Railroad Retirement Act of 1935 has been paid to an individual or payment has been made to an individual not entitled thereto (including payments made prior to July 1, 1940) who, in the judgment of the Board, is without fault when, in the judgment of the Board, recovery would be contrary to the purpose of the acts or would be against equity or good conscience.

"(d) No certifying or disbursing officer shall be held liable for any amount certified or paid by him in good faith to any person where the recovery of such amount is waived under subsection (c) of this section or has been begun but cannot be completed under subsection (a) of this section."

SEC. 27. (a) Subsection (e) of section 1532 of the Internal Revenue Code is amended by adding thereto the following sentence: "For the purpose of determining the amount of taxes under sections 1500 and 1520, compensation earned in the service of a local lodge or division of a railway-labor-organization employer shall be disregarded with respect to any calendar month if the amount there of is less than $3 and (1) such compensation is earned before April 1, 1940, and the taxes thereon under such sections are not paid before July 1, 1940, or (2) such compensation is earned after March 31, 1940."

(b) For the purpose of determining the amount of taxes under sections 2 (a) and 3 (a) of the Carriers Taxing Act of 1937, compensation earned in the service of a local lodge or division of a railway-labor-organization employer shall be disregarded with respect to any calendar month if the amount thereof is less than $3 and the taxes thereon under such sections are not paid before July 1, 1940.

Mr. CROSSER. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, this bill merely provides for the liberalization of a measure which we felt would require liberalizing when we passed it in 1938. You will recall that the unemployment-insurance law, passed in 1938, provided a tax of 3 percent. In order to make absolutely certain that the claims which might be filed would be paid without fail, we provided for benefits very much lower than would have been justified in the light of experience with the operation of the law as then enacted. Now, with the experience of 15 months behind us we find that there will be no trouble at all about paying benefits which are more reasonable. We have, therefore, provided for the increase in the number of benefit days from 80 to 100 in each year. We have liberalized the waiting period so as to require only 7 days instead of the time now required. We have also inserted a new section which is in the nature of a restriction rather than a liberalization. It will be section 22 of the bill because the committee has stricken out a section which preceded the new section to which I have referred.

This new section, 22, is intended to require the transfer as of the close of the last fiscal year and as of the close of each fiscal year thereafter of the assets of the administration fund in excess of $6,000,000. The purpose of this new section is to provide by statute instead of by administrative action for the transfer just mentioned. In all fairness, however, it must be said that the action of the Board in this respect has been wholly satisfactory. We are now providing by statute for the transfer as already explained.

A great deal of the present law is restated in this measure, and the main changes are few and simple.

Mr. ROUTZOHN. Mr. Speaker, will the gentleman yield?

Mr. CROSSER. I yield.

Mr. ROUTZOHN. To what extent will this change affect the railroads themselves?

Mr. CROSSER. The railroads will not pay a penny more than they are paying now.

Mr. ROUTZOHN. This is merely an allowance out of what the railroads are paying. The same percentage of contribution will prevail?

Mr. CROSSER. If my colleague will permit, at the present time instead of there being a deficit in the fund as some originally feared when we did not know so much about railroad unemployment insurance, there is a surplus of $125,000,000, and it is stated that accurately calculated it will be a surplus of $160,000,000. In other words, we have that much of a reserve fund on the basis of the present tax.

Mr. ROUTZOHN. In the opinion of my colleague, then, the railroads would have no objection?

Mr. CROSSER. I should say that the railroads will offer little, if any, objection to the bill as it is now presented after certain elisions from the bill made in committee.

Mr. TARVER. Mr. Speaker, will the gentleman yield?

Mr. CROSSER. I yield.

Mr. TARVER. I did not quite clearly understand the gentleman's motion to suspend. The bill as reported by the committee has sections 22, 25, and 27 stricken out of it.

Mr. CROSSER. Sections 22 and 24 are stricken from the bill. Section 27 is a new section, a rewrite of section 30.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. CROSSER. I yield.

Mr. ROBSION of Kentucky. Some representatives of the railroad brotherhoods, and of the railroads themselves, talked about the weekly amount received by beneficiaries of this unemployment act, and the statement has been made that railroad workers receive less per week of unemployment insurance than people employed in some other industries.

Mr. CROSSER. That is correct.

Mr. ROBSION of Kentucky. I see nothing in the bill about the number of weeks or the number of days per year during which benefits will be paid. Will the gentleman explain that?

Mr. CROSSER. I can tell the gentleman in a moment, the per diem benefit payment.

Mr. ROBSION of Kentucky. I have seen those tables. As the change works out what will be the increase for each railroad worker, say?

Mr. CROSSER. The main increase is in the number of days for which insurance will be paid. This has been increased from 80 to 100 days per year, which is a very important gain. Also by virtue of the fact that the waiting period has been reduced substantially—the benefits have been increased.

Mr. ROBSION of Kentucky. The point I am trying to get at is that over the period of the past 15 months they have been able to determine the average benefit received by the unemployed railroad worker. What will it be under the amendments we are now considering?

Mr. CROSSER. We cannot tell because the percentage of unemployment varies greatly in different years.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. CROSSER. I yield.

Mr. BROWN of Ohio. I think what the gentleman from Kentucky means is the amount of money per day.

Mr. ROBSION of Kentucky. I know what that is; I see that. Some of the railroad workers have talked to me about it. The average is not very much.

Mr. BROWN of Ohio. The average is $7.

Mr. ROBSION of Kentucky. Seven dollars a week.

Mr. WOLVERTON of New Jersey. Under this they will receive about $12.

Mr. BROWN of Ohio. An average of about $12.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. CROSSER. I yield.

Mr. VAN ZANDT. I might say for the benefit of the gentleman from Kentucky that at the present time the unemployed railroad man gets an average of about $7 a week; while on the other hand those under State unemployment insurance average $10 a week.

Mr. CROSSER. His average will be $11.48 per week.

Mr. ROBSION of Kentucky. So the increase is from an average of $7 per week up to $11 plus per week?

Mr. CROSSER. Yes.

Mr. BROWN of Ohio. There is one other point I would like to ask the gentleman to bring out. This bill has been changed from the original bill so that it no longer carries the provision relative to railroad retirement pay, which was objected to by some of the railroads and employers over the country.

Mr. CROSSER. If I correctly understand what the gentleman means, that is true. Of course, the gentleman will remember that there is a provision in section 16 which reads as follows:

And provided further, That if that part of any such payment or payments, other than unemployment benefits, which is apportionable to such days of unemployment is less in amount than the benefits under this act which, but for this paragraph, would be payable and not recoverable with respect to such days of unemployment, the preceding provisions of this paragraph shall not apply but such benefits under this act for such days of unemployment shall be diminished or recoverable in the amount of such part of such other payment or payments.

Mr. BROWN of Ohio. That is true.

Mr. CROSSER. But that is a different thing.

Mr. BROWN of Ohio. It strikes out the objectionable thing as to the railroad-retirement pay itself.

Mr. CROSSER. I do not say that it was objectionable, but it does strike out that to which the gentleman refers.

Mr. ROBSION of Kentucky. Have the railroad workers agreed on this bill?

Mr. CROSSER. I think I can say without any reservation that the railroad workers are all satisfied with this bill. Of course, they would have preferred not to have had the carry-over provision stricken out, but they are all in favor of the passage of the bill as it stands.

Mr. ROBSION of Kentucky. Is there any objection by the railroads to the bill? What I am trying to get at, is there a general agreement?

Mr. CROSSER. I think I may say that while the railroads would probably have liked to have had the tax reduced, their opposition to the bill has been practically removed as a result of eliminating the carry-over clause and certain other features of the original bill.

Mr. BROWN of Ohio. And are glad it was not raised?

Mr. CROSSER. Yes.

Mr. KUNKEL. What this actually does is to bring the original legislation up to date in light of the experience of the past 15 months?

Mr. CROSSER. That is correct. Now, I think I have covered the main features of the bill.

Mr. PATRICK. Will the gentleman yield?

Mr. CROSSER. I yield to the gentleman from Alabama.

Mr. PATRICK. May I ask the gentleman if we were not in constant communication with the railroad employees and the railroads during the hearings and if this was not carefully and painstakingly gone over with both groups before being reported?

Mr. CROSSER. That is correct.

Mr. PATRICK. And this bill has been unanimously reported by the committee?

Mr. CROSSER. Yes. The committee was unanimous in its report.

Mr. ROBSION of Kentucky. This will stabilize the rate so there will not be changes in the near future?

Mr. CROSSER. I do not think there will be changes in the immediate future. You cannot tell what the experience of a few years may be. It is not the same thing as the retirement system, which has less variation in percentage of claims filed. You have sudden increases and decreases in unemployment. I do not think there will be any change in the immediate future.

Mr. BROWN of Ohio. May I point out to the gentleman from Ohio that this particular piece of legislation is an adjustment of this act in the light of the experience that has been had with the original bill?

Mr. CROSSER. That is correct.

Mr. BROWN of Ohio. At the time the original unemployment and retirement law was passed for railroad workers it was not known how it would work out.

Mr. CROSSER. We had to experiment, and we had therefore to be very careful not to provide for too great benefits at first.

Mr. BROWN of Ohio. This legislation has been introduced in light of the experience had in the past 2 or 3 years?

Mr. CROSSER. That is correct.

Mr. VAN ZANDT. The principal benefits enjoyed by the railroad men will be simply these: The waiting period will be cut down from 14 to 7 days, and the benefit will be liberalized to the extent of about 115 percent?

Mr. CROSSER. It increases the benefit days per year from 80 to 100 days. The percentage of liberalization is less than stated by the gentleman.

Mr. LEA. Will the gentleman yield?

Mr. CROSSER. I yield to the gentleman from California.

Mr. LEA. The increase is not that great under the bill as it is before the House. The House committee struck out an increase that amounted to 25 percent in the carry-over of creditable days, which was 50 days as proposed, and this was carried over for certain senior employees.

Mr. CROSSER. Yes.

Mr. LEA. The House committee cut that out.

Mr. CROSSER. That is true.

Mr. WOLVERTON of New Jersey. Mr. Speaker, the Railroad Unemployment Insurance Act was enacted in 1938. The provisions contained in the original bill were more or less speculative with respect to the total amount of income that would be received, under its provisions, from the railroads for support of the fund, and, likewise, uncertain was the amount that would be required to be paid out to employees as benefits under the terms of the act. In other words, the whole plan was experimental in character. It was necessarily so, because there was no definite factual information available upon which reliance could be placed that would enable anyone to assume that changes would not be possible or necessary in the future based upon the experience to be gained in the operation of the plan.

Fifteen months have now elapsed since the enactment of the legislation. During this time certain trends and conditions have been observed that seemed to require consideration and change to the end that the act might be improved from the standpoint of administration, and likewise to make available more adequate benefits to the employees.

The operation of the fund has demonstrated that the 3-percent tax paid by the railroads produces an income in excess of the amount that is necessary to pay the benefits that accrued to unemployed railroad employees under the rates and conditions contained in the bill. The amount of the surplus now in the fund is variously estimated up to as high as $150,000,000. While there may be some dispute as to what can properly be considered as the amount of the surplus, yet, in any case, it is a sizable sum. There is no dispute, however, that the present tax rate of 3 percent will in all probability at all times produce an amount greatly in excess of what will be necessary to make the necessary benefit payments to the employees under the rates now in effect. Thus, a question of policy now presents itself, namely, whether the tax should be reduced and thereby the income decreased to a point that more nearly approximates the amount necessary to pay the benefits now provided for by the act, or should the tax remain at the present level and the benefits to employees be increased to a point that would be justified on the basis of present income; or should there be an intermediate point agreed upon that would enable a reduction of the rate to be paid by the railroads which at the same time would not prevent an increase of benefits to the employees.

All of the possible solutions, as above enumerated, were considered by the Committee on Interstate and Foreign Commerce. After hearing witnesses produced by both management and men and giving the matter careful and serious consideration the committee has reported the bill now under consideration. The bill, as reported, adopts the premise that the tax as originally fixed should remain, for at least the present, and that the provisions of the original act should be amended to provide more adequate benefits to the employees.

In support of the action taken by the committee, the testimony shows that a 3-percent tax is the universal rate fixed by the legislation of the several States for the maintenance of industrial unemployment insurance funds. The tax of 3 percent fixed by the Railroad Unemployment Insurance Act is therefore in accord with that paid by industry for similar purposes. It may be that future experience might reveal that a decreased or graduated tax would be possible without destroying the benefits this bill now before the House seeks to give employees. In such event, of course, further consideration can be given to the matter. The basic theory of all such legislation is, as it should be, that the tax income should not exceed the amount necessary to provide adequate benefits to the employees, and to provide solvency and stability for the fund under all the varying economic changes that come in the course of years.

With respect to the adequacy of benefits now being received by railroad employees under the provisions of the law as now in effect, it would seem, from the testimony presented to the committee, that in some respects the provisions of State laws provided a better rate of compensation for unemployed industrial workers than the Federal act provided for railroad workers. To adjust what seemed to be inequities in this respect, the committee has provided by this bill, first, an increase in daily rate of benefits; second, increase in the number of days of compensable unemployment in each registration period; third, increase in the number of days of benefit to be paid in the benefit year; and, fourth, reduction in the waiting period requirements. The time at my disposal in the limited debate that is possible under the rules of the House precludes my giving in detail the respective changes. Suffice it to say, however, they do provide a substantial increase of benefits to unemployed railroad workers and at the same time the solvency and adequacy of the fund are preserved.

The committee has also recommended administrative changes that it is believed will prove beneficial to all parties in interest. It is unnecessary to give any further explanation of such than has already been given and as appears in the committee report.

Whatever additional changes may be necessary or advisable with respect to the tax to be paid by the railroad, benefits to be received by the employees or in the administrative features of the act will depend upon the experience gained in the operation of the fund upon the basis of the changes now made. It can be certainly said that the original Railroad Unemployment Insurance Act is greatly improved by the changes provided for in this bill and the purpose and interest of that act, to provide compensation to unemployed railroad workers, is greatly strengthened. [Applause.]

Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. VAN ZANDT] such time as he may desire.

Mr. VAN ZANDT. Mr. Speaker, as the Representative in Congress of approximately 25,000 railroad employees in the Twenty-third Congressional District of Pennsylvania, I desire to heartily approve S. 3920 which amends the existing Railroad Unemployment Insurance Act of 1938. These amendments will increase present benefits and at the same time reduce the waiting period from 15 days to 7 days in establishing eligibility.

At the same time, I want to briefly explain the amendment which I hope to offer to this bill. This amendment is very simple and is designed to correct an injustice to the unemployed railroad men of this Nation resulting from an administrative regulation prescribed by the Railroad Retirement Board and not by the Congress of the United States.

At the present time an unemployed railroad man must report to a designated agency of the Railroad Retirement Board every other day in order to be eligible for unemployment-insurance benefits. My amendment simply lengthens the time of reporting to a minimum of once in every 3 days. However, if the Railroad Retirement Board should find it feasible to restrict the reporting to once in 4 days or weekly, it is permissible. But in no case can they require an unemployed railroad man to report more often than once in every 3 days.

To cite the injustice under the present regulations of the Railroad Retirement Board that require an unemployed railroad man to report every other day, let me give you an illustration. For the sake of comparison, let us change places for a moment with the average unemployed railroad man. You reside in a railroad town which invariably is the only industry in that community. You are employed in the railroad shop as a machinist or boilermaker, and have spent the best years of your life in learning your trade. You know little of any other type of industry.

At the end of your day's work you receive notice that due to a lull in business it will be necessary to reduce the force until such time as business resumes a normal stride. You are an average individual with a wife and two or more children and either renting or buying a home. You are faced with providing a livelihood for your family every day in the week and absorbed in plans to properly educate your children if at all possible.

But—you have no work tomorrow. In order to meet your obligation to your family you apply for railroad unemployment-insurance benefits by filing an application with your foreman or supervisor. After waiting 15 consecutive days you receive your first weekly compensation check which, according to statistics for the year 1939, averaged $7 weekly. Let me remind you at this moment that if you were eligible to State unemployment-insurance benefits under the Social Security Act you would receive an average of $10 weekly.

To comply with the present regulations of the Railroad Retirement Board you have reported seven times which means you have made a total of seven trips from your home to a designated agency of the Railroad Retirement Board during the 15-day waiting period. Possibly you own a car, or use a streetcar, or you may by lack of choice be compelled to walk. Nevertheless, as an average railroad man you either drive or use the streetcar and as a result have an expenditure of at least 75 cents weekly. When you are only receiving $7 weekly you are in no position to have your unemployment compensation benefits reduced by approximatcly 10 percent.

Turning our attention from the cost of these frequent reporting trips, let us for a moment consider the hardship in being compelled to remain at home to comply with the regulation of reporting every other day.

You cannot visit your relatives or friends, should they live in an area where there is no reporting agency. You cannot rest for a few days, visit the mountains, or go fishing. You are not permitted to forget the shop because of this frequent reporting regulation. Gentlemen, I worked in a railroad shop and no doubt many of you too have worked behind a shop fence day in and day out.

This bureaucratic regulation of reporting every other day is the brain-child of the Railroad Retirement Board, and not the decree of Congress.

Remember, I asked you to consider yourself as a machinist or boilermaker in a railroad shop. Your next door neighbor is a coal miner, and under a recent amendment adopted by this Congress coal miners employed in railroad-owned coal mines were transferred from the provisions of the Railroad Unemployment Insurance Act to the provisions of the Social Security Act, and likewise under the State Unemployment Insurance Act, a part of Social Security.

Your neighbor, like yourself, finds himself unemployed due to a lull in business. He makes application for State Unemployment Insurance Benefits but instead of reporting every other day he is required to report weekly as are all other workers in the nation who come under the provisions of the Social Security Act.

Is there any sane reason for requiring the railroad man to report every other day while his neighbors report once a week?

The Railroad Retirement Board insists that this regulation is necessary to avoid chiseling and to protect the Railroad retirement fund. When the Retirement Board uses the term "chiseling" they have in mind the unemployed railroad man being tempted to take another position during his lay-off period.

Gentlemen, in the average railroad community there is no other job for the railroad man. If chiseling is such an evil to be feared that it requires reporting every other day, why does not the State unemployment insurance departments of the various States require all workers under social security to report every other day?

Gentlemen, this reporting regulation of the Railroad Retirement Board is rank discrimination against a class of workers of whom I am proud to be a member.

May I respectfully remind you that my amendment establishes a minimum of reporting once in every 3 days. It does not ask that the reporting be confined to once weekly. In short, it simply places a check-rein on the regulations for reporting as prescribed by the Railroad Retirement Board by limiting the period to once every 3 days.

Gentlemen, I speak for the 25,000 railroad men in my district. We have appealed to the regional office of the Retirement Board without success, and as a last resort carried our case to the Railroad Retirement Board in Washington. Our pleas fell on deaf ears, and our only recourse now is to the Congress of the United States.

Gentlemen, I beseech you in simple justice to the railroad men of America to correct this bureaucratic exhibition of rank discrimination.

Mr. WOLVERTON. Mr. Speaker, I yield to the gentleman from New York [Mr. FISH] such time as he may desire.

Mr. FISH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a letter signed by the national legislative representatives of four railroad brotherhoods.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Speaker, the railroad employees are industrious, loyal, and patriotic American wage earners. There are no Communists or Nazis or alien agitators among them. I am glad of this opportunity to vote for legislation that will provide better and more substantial unemployment insurance for scores of thousands of railroad employees and to safeguard their economic status in periods of depression. The American people are entitled to efficient and safe service, and modern equipment on the railroads.

I am convinced that the best way to promote employment on the railroads is to give them a chance to make reasonable profits and to employ labor at American standards of wages. I understand that this proposed legislation does not call for any further tax from the railroads as they are already taxed almost to death, and many of them are in the red. The Congress should protect the railroads against unfair competition from motortrucks and busses and other unregulated competition that diverts traffic from them and assures them of a fair opportunity to survive under private ownership. Representing a district in which there are thousands of railroad employees, I am naturally glad to support this measure or any proper legislation that is beneficial to them. [Applause.]

I am appreciative and am grateful for the endorsement of the undersigned brotherhoods after my long service in Congress and their members can always depend on a square deal from me. My slogan is better and bigger railroads, more railroad employees, and passing prosperity around. The railroads are the truest barometer of prosperity, and employment and prosperity are always one and inseparable.

[National legislative offices of the Brotherhood of Locomotive Engineers, Order of Railway Conductors, Brotherhood of Maintenance of Way Employees, Brotherhood of Railroad Signalmen of America]

WASHINGTON, D. C., *September 25, 1940.*

To the Officers and Members of the B. of L. E., O. R. C., B. of M. W. E. and B. of R. S. of A., Twenty-sixth District of New York.

DEAR SIRS AND BROTHERS: In this time of national stress our present political campaign assumes unusual importance. It is clear to all that in protecting the vital rights and interests of the American people decisions of profound importance must be made by the Members of Congress who will be elected next November. In this connection may we again commend to your favorable consideration Hon. HAMILTON FISH, who has represented the Twenty-sixth District of New York since 1919. His whole career in Congress during 10 terms

of loyal service has been characterized by complete devotion to the public interest. While he is a powerful friend of all who toil, in whatever field, he is equally fair to all legitimate interests. Invariably we have found him ready to speak and vote in support of worth-while legislation, and just as ready to vigorously oppose dubious measures framed for the benefit of special interests in conflict with the welfare of the common people. In short, on his exceptionally fine record he richly merits the strong support of every voter in the Twenty-sixth District, regardless of party or other affiliations.

We feel in duty bound to urge that all take an active and personal interest in the reelection of Representative FISH to the position he so ably and impartially fills. He now has the outstanding advantage to his constituents and the Nation of 20 years of active experience and intensive training in the complex work of national legislation, which, in conjunction with the high esteem in which he is held by his colleagues, have placed him as ranking minority member of the powerful Committee on Rules and the equally important Committee on Foreign Relations. He has never failed the brotherhoods in time of need, or whenever we have called upon him, and now is our one opportunity in 2 years to demonstrate our appreciation for his unfailing friendship. We trust that you will handle this matter with all expedition and efficiency to the end that all our members, their families, and friends, as well as other working men and women in the Twenty-sixth District, go to the polls and vote on election day, and return our good friend to Congress.

Fraternally yours,

J. CORBETT,
National Legislative Representative, B. of L. E.
W. D. JOHNSON,
National Legislative Representative, O. R. C.
A. F. STOUT,
National Legislative Representative, B. of M. W. E.
D. C. CONE,
National Legislative Representative, B. of R. S. of A.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I yield such time as he may desire to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at the point where I offered an amendment to the bill S. 2103 during its consideration this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I yield such time as he may desire to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Speaker, the bill before us (S. 3920) has for its purpose the amendment of the Railroad Unemployment Insurance Act, approved June 25, 1938, as amended June 20, 1939. This is a very meritorious bill and should receive the unanimous approval of this House. It was understood at the time the original act was passed in 1938 that the bill would need amendment after a sufficient time had passed to enable its sponsors to ascertain its weaknesses, the purpose being to provide adequate protection for those railway employees unfortunate enough to become unemployed. It is now known through experience under the act that the 3-percent contribution levied under it is amply sufficient to increase the benefits under the existing act. Two courses were open to the committee—one to lower the contribution levied upon the railroad; the other, to keep the contribution as it is and increase the benefits. The latter course was adopted. Under the bill before us, as explained by members of the committee, the waiting period is lessened and the period of payment is lengthened, which results in very material benefit to the unemployed coming under the provisions of the act. I urge all Members of the House who are interested in giving adequate relief to railroad employees to support this bill.

Mr. CROSSER. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. LEA].

Mr. LEA. Mr. Speaker, I believe the provisions of this bill have been satisfactorily presented to the House. Perhaps no further outline of the bill is required. However, I do want to comment on the fact that our colleague, the gentleman from Maryland [Mr. COLE], is with the President in making a visit to certain defense activities in the gentleman's State, including the Glenn Martin Aircraft plant, and is unable to be with us. The gentleman from Maryland [Mr. COLE] is interested in this bill and if present would support it.

Mr. CROSSER. Mr. Speaker, I may say also that the gentleman from Maryland would support this legislation as reported without any hesitation. I am sorry he is not able to be here.

The SPEAKER. The question is on the suspension of the rules and the passage of the bill as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill was passed.

A motion to reconsider was laid on the table.

DISABLED VETERANS

Mr. RANKIN. Mr. Speaker, I move to suspend the rules and pass the bill H. R. 6450, as amended.

The Clerk read as follows:

H. R. 6450

A bill to provide for the issuance, by the Administrator of Veterans' Affairs, of regulations providing for more liberal policies in determining the service connection of disabilities, and for other purposes

Be it enacted, etc., That the Administrator of Veterans' Affairs is hereby authorized and directed to include, in the regulations governing proofs and evidence pertaining to service connection of disabilities, additional provisions requiring: That, in each case where a veteran is seeking service connection for any disability, consideration shall be given to the places, types, and circumstances of his service as shown by his service record, the official history of each organization in which he served, his medical records, and all medical and lay evidence; that, where the veteran is shown to have been engaged in combat with an enemy of the United States, or during service in some war, campaign, or expedition, to have been subjected to other arduous conditions of military or naval service, such disability as can reasonably be considered to have been due to or aggravated by the conditions of all of his active military or naval service, shall be determined to be directly due to or aggravated by such service in line of duty, under all laws administered by the Veterans' Administration, unless it shall have been clearly established by clear and unmistakable evidence that any such disability was not originated in or aggravated by his military or naval service; and that the reasons for granting or denying service connection in any case considered under this law shall be recorded in full in each such case.

The SPEAKER. Is a second demanded?

Mr. FISH. Mr. Speaker, what is this bill?

Mr. RANKIN. It is a veterans' bill and all the Members on the gentleman's side of the House who are members of the Veterans' Committee favor it.

Mr. FISH. It is a unanimous report, and under the rules has not the gentleman an opportunity to explain the bill?

Mr. RANKIN. Yes; I will explain the bill.

The SPEAKER. The Chair would suggest that some gentleman demand a second.

Mr. FISH. I demand a second, Mr. Speaker.

The SPEAKER. Without objection, a second is considered as ordered.

There was no objection.

Mr. RANKIN. Mr. Speaker, this measure really explains itself. The object of it is to give the veteran more the benefit of the doubt in those cases where the records are not entirely clear or where the records are not available. We have had a great deal of difficulty about the records of disabled World War veterans who were suffering from service-connected disabilities, and especially is that true with reference to veterans who served overseas.

As a result, we attempted in 1924 to take care of the situation by establishing what we call a presumption of service-connected disability for all veterans who broke down prior, I believe, to January 1, 1925. Unfortunately, there were large numbers of them, and especially among the overseas men, who had not made any claim up to that time. Many of them did not know of their disabilities, many of them thought they could overcome their disabilities as time went on, but in that many of them have been disappointed.

There were literally thousands who were not familiar with the veterans' laws at that time, and did not know they had a right to make their claims and did not find it out until the

time limit had expired. As a result there are many thousands of these veterans who are entitled to have their disabilities declared service-connected, but who have not been able to do so for the reason that the burden of proof has been placed upon them, and in many instances the records were lost, destroyed, or incomplete.

Many overseas veterans had their records lost. Many times in line of duty they did not have an opportunity to have these records kept, and when they came home and applied for compensation on the ground that they were entitled to have their disabilities declared service-connected, the burden of proof was on them and they did not have the records to substantiate their claims.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. Let me first finish my statement.

We not only have large numbers of these men who are entitled to compensation as service-connected victims of the World War, but many of them have passed away and their widows and orphans have been denied a single penny because they were unable to substantiate their claims. I am going to refer to one if I may have the attention of the gentleman from New York [Mr. FISH]. I am going to refer to one statement made in the report with reference to the situation in my own State of Mississippi, and I will say to the gentleman from New York that if he will make the same investigation he will find the same conditions prevailed in other States. The report shows that on an investigation it was found that there were 2.93 percent of the 15,904 white overseas veterans who were found at the time of discharge to be suffering from service-connected disabilities, whereas there were found to be 11.26 percent of the veterans who did not go overseas suffering from service-connected disabilities. Now, why was that? That was because the overseas veteran did not have an opportunity, he did not have access to the records, and in many instances those records were lost or in the haste of the conflict of movement to the front they were unable to keep those records, whereas in the home camps they were able to keep the records and the veterans had access to them, and they were not in such a rush to get through and get away as were the men returning from overseas.

If you will investigate the records of other States, as I have said, you will find the same condition prevailed, and this bill, I may say to the gentleman from New York, is for the purpose of correcting those injustices to enable these men to make their applications, and after they have made out what we call a prima facie case, to place the burden of proof on the Veterans' Administration.

I hope the gentleman will withdraw his demand for a second.

Mr. FISH. I think it was very wholesome that the gentleman should give such an able presentation to the House, but there are some Members here who would like to speak.

Mr. RANKIN. Then, Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

Mr. FISH. That has already been ordered, as I understand it.

The SPEAKER. A second has been ordered. Does the gentleman from Mississippi reserve the balance of his time?

Mr. RANKIN. Yes; Mr. Speaker.

The SPEAKER. The gentleman from New York [Mr. FISH] is recognized.

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS], a member of the committee.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I earnestly hope that this legislation will pass. In my opinion, it does not go far enough, but I believe it will be helpful in indicating to those of the Veterans' Administration, and to General Hines in particular, because he makes the regulations, that cases should be rated where there is indication that the disability of a man who served overseas and who was in combat came from war service. We all know that many records made overseas were destroyed. We all know that very many were lost. We all know that many men served in engagement after engagement where there was gas, and yet on their A. G. O. reports there were no records of those gas attacks, and there was no record that the veteran was gassed. And many veterans have died who could have made affidavits to prove that their comrades were gassed.

I remember in one instance a man came out of a hospital with no disability marked on his discharge from service. That man had given both his legs in the service. Of course, in that case the record could easily be corrected, because there was visible evidence that he had lost both his legs in the service.

Clearly, this bill should pass. There is too much left to the discretion of the Veterans' Administration personnel in connection with the decision of service connection in combat injuries and disabilities.

Mr. VAN ZANDT. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. VAN ZANDT. Is it not true that the type of service rendered by men overseas is today having its effect upon the physical structure of such men, and still there is no notation in the service record of these men showing that type of service?

Mrs. ROGERS of Massachusetts. That is absolutely true. We all know men who served overseas, who were undoubtedly badly shell shocked, but the men went back to their organizations and to their outfits before they were able to go back, and no record was kept of their having been shell shocked. Today many of those men are able to carry on a gainful occupation, and most of them have been unable to prove service connection for their disability, although there were many engagements where terrific explosions took place, and they had every reason to become shell shocked.

Mr. KUNKEL. Will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. KUNKEL. Would not this cover a situation where a veteran's compensation depended on securing evidence from a hospital abroad, say, in England? I mean, there would be the supposition that he had received injury abroad, without direct evidence from the hospital?

Mrs. ROGERS of Massachusetts. Oh, yes; that is absolutely true. His service, the type of service, would be considered and he would be given service connections unless there was testimony to prove afterward he did not receive it overseas.

Mr. KUNKEL. The reason I make that point is because it is increasingly difficult to obtain evidence from hospitals in England, due to conditions over there, to prove this fact.

Mrs. ROGERS of Massachusetts. That is true.

Mr. KUNKEL. And therefore we should transfer the burden of proof, as is done by this bill?

Mrs. ROGERS of Massachusetts. Yes; and it is impossible to receive evidence from our own American hospitals in France, and also of course from the French hospitals.

Mr. CASE of South Dakota. Will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. CASE of South Dakota. I would like to ask if the language of this bill under the gentlewoman's understanding is such that this will help in establishing entitlement to insurance payments as well as compensation, provided the required degree of disability is shown?

Mrs. ROGERS of Massachusetts. It certainly ought to.

Mr. RANKIN. Will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. RANKIN. Let me say to the gentleman from South Dakota [Mr. CASE] that if a veteran is totally and permanently disabled he would be entitled to his insurance, whether that disability is service-connected or not?

Mrs. ROGERS of Massachusetts. I think the gentleman will find that in certain cases this would be very helpful also in an insurance case.

Mr. RANKIN. It would be helpful where a veteran's insurance had lapsed for lack of payment of premium, and it would be found that he was entitled to compensation.

Mrs. ROGERS of Massachusetts. And he had been nervous all during that time.

Mr. CASE of South Dakota. That is the type of case I had in mind—the case where a veteran's insurance had lapsed, but where you believe that he was totally disabled before it lapsed. I have worked on some of these cases where the insurance had finally lapsed, but prior to the time of that lapsing the veteran had seemed to me to be entitled to payment. The rule, however, that threw the burden of proof onto the veteran, and the rules as to the kind of evidence that would be considered, have made it very difficult to establish entitlement prior to the lapse of the insurance. I note that the language of the bill provides that the Veterans' Administration shall consider the circumstances attending the veteran's service in its demands for evidence and that this applies to "all laws administered by the Veterans' Administration." I feel sure that this could be of material assistance in establishing the sufficiency of evidence in some technically difficult but obviously meritorious cases.

Mrs. ROGERS of Massachusetts. There are various cases of that kind.

[Here the gavel fell.]

Mr. RANKIN. Mr. Speaker, may I inquire how the time stands?

The SPEAKER. The gentleman from Mississippi has 12 minutes remaining.

Mr. RANKIN. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Speaker, in the report on this bill the following brief statement is made:

> The general purpose of the bill is to place the combat veteran more nearly on a par with the home-service veteran insofar as the opportunity for establishing service connection of disabilities is concerned.

In a nutshell this is what the bill is for. I do not know how many Members of the House caught the full purport of what the gentleman from Mississippi said when he submitted the figures from his own State. So as to be sure everybody will get it I wish to repeat them. The figures of the Veterans' Administration show the following to be true: That of all veterans of the World War from the State of Mississippi 2.24 percent of those who served overseas were noted on the date of discharge to have disabilities resulting from service, but 14.007 percent of those who did not go overseas were shown to have disabilities resulting from service. Is it not perfectly obvious to any Member of the House that the reason for this is not because the men who served overseas had an easier time of it, but because the records of those men were not as nearly complete as the records of those who served in this country.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. VAN ZANDT. Will the gentleman complete his comparison by telling the House that 50 percent of the men who served in our armed forces during the World War served in the United States and the remaining 50 percent overseas?

Mr. VOORHIS of California. I thank the gentleman for his contribution.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. RANKIN. The same situation that prevails with reference to the veterans of Mississippi prevails likewise with respect to the veterans of all the States of the Union.

Mr. VOORHIS of California. Of course, it does. I intended to make that very plain. I just used Mississippi for purposes of illustration.

Now, to sum up what the bill does. The bill in the first place directs that in considering the determination of service connection consideration must be given to the places, types, and circumstances of a man's service as shown by his service record, the official history of each organization in which he served, his medical records, and all medical and lay evidence. That is the first thing it does. It says that you have got to consider not only the proof that a man can bring in in the form of affidavits and things of that sort but you have got to consider the history of his outfit and his experience in the service.

The second thing is that where the veteran is shown to have been engaged in combat with an enemy of the United States, or during service in some war, campaign, or expedition to have been subjected to other arduous conditions of military or naval service, such disability as can reasonably be construed to have been due to or aggravated by the conditions of all of his active military or naval service shall be determined to be directly due to or aggravated by such service in line of duty. In other words, if the history of this man's service indicates that his disability can be reasonably expected to have resulted from that history then it will be presumed to be service connected.

The third thing it does is to make that point very clear by saying:

> Unless it shall have been clearly established by clear and unmistakable evidence that any such disability was not originated in or aggravated by his military or naval service.

In other words, it places the burden of proof to show that a man whose service record would indicate that his disability could reasonably have been expected to have resulted from that experience upon the Government and not upon the veteran; and it is among the veterans who served overseas whose records are lost or may not even have been kept that we find the greatest difficulty in establishing service connection, not among the men whose records of service in this country are available. I am sure the passage of this bill is no more than a matter of justice to the combat veteran.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. ROUTZOHN], a member of the committee.

Mr. ROUTZOHN. Mr. Speaker, out in my district, near Dayton, Ohio, is located what is familiarly known as the central branch of the National Military Home. It is now officially called the Veterans' Administration facility. It has a population of somewhere between 5,000 and 6,000 veterans. I mention this fact because, while I realize that nearly all of us are in contact with veterans of the World War who will be affected by this legislation, I have a fairly good share by reason of the veterans' facility being located in my home county.

In addition to that, for some 3 or 4 years I served the Government in war-risk insurance legislation, and in connection with that work I came in contact with hundreds, perhaps I could say truthfully thousands, of files of the veterans who had served overseas, as well as those who had served in this country in encampments. Let me mention two things. I should like to have the Members understand in connection with my previous statements that my observation has been that a great many of the veterans who are now suffering from total or permanent disability or are deserving of increased compensation or pensions are men who do not have sufficient record evidence, men who served overseas. They are the ones who are the worst off so far as records are concerned.

The reason is that as they went toward or served at the front there was greater chance of the record being incorrect or of the record being lost or of they themselves not reporting sick because they were too patriotic, and they stayed on the job because they wanted to go over the top the next day regardless of injury or illness from which they were at the time suffering.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. ROUTZOHN. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Is it not also true that many of the doctors who went overseas lost their lives, many of their comrades lost their lives, so they could not secure affidavits as to their injuries?

Mr. ROUTZOHN. That is true. There is in many instances an entire lack of supporting evidence for those veterans who were in actual combat overseas. They are the ones who have suffered the most injustice, merely by reason of the lack of record evidence.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. ROUTZOHN. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Looking into the handling of these veterans' cases I found that in the courts in trying these insurance cases the veteran really had no real examination when he left over there. He was anxious to get home and they passed him through the line, turned him out, and gave him a discharge saying, "Your physical condition is good." There were thousands of those cases and, of course, when it gets to the Veterans' Bureau, they say, "Your discharge states your physical condition was good." This bill will help that condition?

Mr. ROUTZOHN. It will. I am glad the gentleman from Kentucky has brought out that point. It is very true that the veterans were anxious to get out of Germany, France, or wherever they were at the time of the evacuation, and they did not have the same opportunity at the time and place of discharge that those who served in this country had to obtain a thorough physical examination, with the result that the records of their discharge militate against them.

Mr. VAN ZANDT. Will the gentleman yield?

Mr. ROUTZOHN. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. With the average age of the veteran today at 47 years and 6 months, it becomes more difficult day by day for the veteran to search the country for his soldier friends to secure affidavits in order to prove he was disabled in the front lines.

Mr. ROUTZOHN. That is true. I would like to add this one further observation: I know what these combat veterans have experienced. While they were serving their country over there in the mud of Flanders or on some other front, wherever it may have been, they incurred disabilities from which they are suffering today. It is only just and fair, therefore, that their actual service, their hardships, exposures, and dread experience should be given consideration as evidence of probative value and worth.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield 1½ minutes to the gentleman from Oregon [Mr. ANGELL],

Mr. ANGELL. Mr. Speaker, in my district, in Portland, Oreg., we have a veterans' hospital. We have a great many cases similar to those that have been discussed here today, particularly by my colleague who just left the floor. During my service here in the House a great many cases have come to my attention, where veterans with service-connected disabilities have been unable to prove their claims, which have convinced me, as a lawyer, that this bill is exceptionally meritorious. I believe one thing we should do is to deal fairly with the men who were injured during the World War. This bill will permit that to be done. We now have before us legislation under our preparedness program, where we will have many more cases, new ones coming up, under the program we are initiating. Our first duty is to take care of those who were injured during the last World War. I am very happy indeed to support this legislation.

Mr. FISH. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, I believe that everyone in Congress and outside Congress wants to do justice to those veterans disabled particularly by gunshot wounds in the American Expeditionary Force. All this bill does is to liberalize the law, maybe to lean over backwards a little bit and to give some advantage to those who were wounded overseas by enabling them to prove their records where papers have been lost or destroyed in the war, or eyewitnesses killed.

The very fact that we still have unknown soldiers of the World War proves there are many cases where these records are lacking. I know in my own outfit, for example, on the 15th day of July, when we were moving out of our front-line positions, I ordered my own orderly, who had been gassed, to be taken out by the stretcher bearers. They had proceeded about 25 yards when a big shell landed in the middle of the stretcher, killed my orderly and three of the stretcher bearers immediately, actually blowing them to bits. We moved out immediately, and I have not the faintest idea what became of them or where their remains were buried. There were many cases like that throughout the Army, and there are also many cases where records were lost or destroyed on account of gunfire or changing positions without warning.

This is a perfectly fair proposition, and I hope the bill will pass unanimously. [Applause.]

Mr. RANKIN. Mr. Speaker, I yield to the gentleman from Arizona [Mr. MURDOCK] such time as he may desire.

Mr. MURDOCK of Arizona. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK of Arizona. Mr. Speaker, I am wholeheartedly in support of this measure. It pleases me greatly that the other day this House passed a bill granting a charter for the organization of the Purple Heart, which has its headquarters at Tucson, Ariz.

Two or three gentlemen have spoken of having veteran facilities within their districts or counties. The State of Arizona has two such facilities, and I know from the thousands of letters in my office that this bill will be helpful to worthy veterans in distress, and I am for it.

In view of the fact that Arizona now has so many more ex-service men living within her borders than Arizona ever furnished to the wars, due to our remarkable sunshine and climate—and the thousands of communications in my office indicate that ex-service men are having greater difficulty in showing service connection of their disabilities, more than any one other problem—all convinces me of the need and justice of this legislation. I know of many pathetic cases where it is absolutely impossible to show service-connected disability when there is not the shadow of a doubt but that the veteran's disability was really service-connected and had its origin in the war. Of course, we cannot assume that all disabilities of ex-service men came about through their Army service, but surely if a veteran was actually in combat, the presumption is great, and ought to be resolved in his favor, that what he thinks to be service-connected is actually service-connected and so dealt with.

In our desire to legislate for the country's defenders, we must fairly take middle ground between opposite extremes. One extreme would be to be willing to vote no further financial benefits for veterans and their widows and orphans. The opposite extreme would be to open up the Treasury and vote anything and everything on the assumption that nothing is too good for those who have given military service for their country. Obviously, justice lies some place between these extreme attitudes. I recall that on May 13 we passed a bill benefiting widows and orphans as a matter of belated justice, but it must have gone through the minds of many Members of this House at that time that the poor fellow who actually was disabled from wounds or gas or some other bitter experience which he had gone through in actual combat was more in need of our sympathetic consideration than anyone else. This bill supplements the one we passed on May 13, and I feel that it also is an act of belated justice to those men who have been ruled outside by our present legislation. Accordingly, I ask the support of every Member for this measure. [Applause.]

Mr. RANKIN. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Speaker, I feel that this is a very meritorious bill because it places the burden of proof upon the Government or on the Veterans' Administration officials. It takes it off the poor fellow who has lost his records and who cannot put his finger upon the evidence he needs to prove up his claim, and this is exactly what we should do. Why should we force these fellows who went out and offered their lives and served their Nation with all they had within them to prove that they received wounds when we

know that they received them, and to prove that they are entitled to what the Government says they should have if certain conditions were fulfilled by them? In many cases they are not only disabled, and so unable to hold a job, but they cannot find employment in competition with younger, more physically fit men.

If we pass this bill it puts the burden of proof on the Government where it should be. They can afford to hire attorneys; the starving ex-service man cannot. I think the bill should go through the House and through the Senate without opposition, because it is badly needed.

I made a radio broadcast a few days ago regarding this very situation and I received hundreds of letters from all over the Nation from men who are unable to prove service connection although they have every proof in their own minds, but they cannot get together the evidence required by the Veterans' Administration. They begged me on every hand to aid them in getting the benefits to which they are entitled under the laws we have passed for them. This bill, if it is passed, will help cure that situation, and will change the thing around so that the presumption will be that their disability is service connected, and the Government will have to prove that it is not. I can think of nothing fairer than that and I think this bill should go through unanimously. If we are sincere and really in earnest about helping the veteran to get some of the justice due him, here is our opportunity to do it. Let us grasp it now and at once. [Applause.]

Mr. RANKIN. Mr. Speaker, I yield myself the balance of the time.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield to me?

Mr. RANKIN. I yield to the gentleman.

Mr. VOORHIS of California. I want to thank the gentleman, who is the chairman of our committee, for what he has done about this bill, and I think I should say publicly that but for his efforts the bill would not be here today, and I want personally to tell how much it has meant to me to serve on his committee and how much I appreciate what he has done with respect to this measure.

Mr. RANKIN. I thank the gentleman from California.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield to me?

Mr. RANKIN. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I want to thank the gentleman for his work and to thank the committee for bringing this bill up. I would like also to inquire if there is any estimate as to the number of soldiers this bill will affect and what it will cost?

Mr. RANKIN. No; we have no such estimate, but I am sure the cost will not be great.

I thank the gentleman from Kentucky for his kind words. I also wis hto express my gratitude to the distinguished gentleman from Michigan [Mr. ENGEL] for his kind expressions and also for the splendid service he has rendered on the Veterans' Committee. It has not been a political committee. The members on that committee have worked diligently trying to arrive at just conclusions and bring out legislation that was justified and that would benefit the disabled veterans and their dependents. It has been a harmonious committee, and I am delighted to return not only to the gentleman from Michigan [Mr. ENGEL] but to all the members of the Veterans' Committee my sincere thanks for their patience, their kindness, and their untiring efforts in behalf of the disabled veterans and their widows and orphans.

The SPEAKER. The question is on the suspension of the rules and the passage of the bill, as amended.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

A motion to reconsider was laid on the table.

FIRE, MARINE, AND CASUALTY INSURANCE IN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9722) to provide for the regulation of the business of fire, marine, and casualty insurance, and for other purposes, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, in the Table of Contents, after "Sec. 20. Foreign or alien companies", insert:

"Sec. 20A. Lloyds organizations."

Page 2, in the Table of Contents, strike out:

"Sec. 40. Taxes paid by policyholder on premiums charged by unauthorized companies."

Page 2, in the Table of Contents, strike out "Sec. 41." and insert "Sec. 40."

Page 2, in the Table of Contents, strike out "Sec. 42." and insert "Sec. 41."

Page 2, in the Table of Contents, strike out "Sec. 43." and insert "Sec. 42."

Page 2, in the Table of Contents, strike out "Sec. 44." and insert "Sec. 43."

Page 2, in the Table of Contents, strike out "Sec. 45." and insert "Sec. 44."

Page 2, in the Table of Contents, strike out "Sec. 46." and insert "Sec. 45."

Page 2, in the Table of Contents, strike out "Sec. 47." and insert "Sec. 46."

Page 2, in the Table of Contents, strike out "Sec. 48." and insert "Sec. 47."

Page 2, in the Table of Contents, strike out "Sec. 49." and insert "Sec. 48."

Page 3, line 3, after "surety", insert "and shall not affect a plan under which any person provides pension benefits to his employees."

Page 18, strike out lines 15 to 25, inclusive, and lines 1 to 8, inclusive, on page 19, and insert:

"(2) Casualty: (a) Upon the health of persons, or against injury, disablement, or death of persons resulting from traveling or general accidents by land or water, and against liability of the assured for injuries to employees or other persons; (b) against liability of the assured for loss or destruction of or damage to property; (c) upon the lives of domestic animals; (d) against loss of or damage to glass and its appurtenances; (e) against loss of or damage to any property resulting from the explosion of or injury to any boiler, heater, unfired pressure vessel, pipes or containers connected therewith, any engine, turbine, compressor, pump or wheel or any apparatus generating, transmitting, or using electricity, or any other machine or apparatus connected with or operated by any of the previously named boilers, vessels, or machines; and including the incidental power to make inspections of and to issue certificates of inspection upon, any such boilers, apparatus, and machinery, whether insured or otherwise; (f) against loss by burglary or theft, or both, and against loss of or damage to moneys and securities; (g) to guarantee and indemnify merchants, traders, and those engaged in business and giving credit, from loss and damage by reason of giving and extending credit to their customers and those dealing with them; (h) against loss or damage by water or other fluid or substance to any property resulting from the breakage or leakage of sprinklers or water pipes; (i) to insure against any other casualty risk which may lawfully be the subject of insurance, and which it is not contrary to public policy to insure: *Provided*, That this section shall not be construed as having any effect whatever upon the right or authority of any solvent company to make contracts of fidelity or surety."

Page 20, line 17, after "company", insert "or of a Lloyd's organization."

Page 24, line 17, after "Administrator", insert "and in debentures issued by the Federal Housing Administrator."

Page 27, line 9, after "company", insert "or as a Lloyd's organization."

Page 27, line 15, after "act", insert "The issuance of a certificate of authority to a Lloyd's organization shall be subject to the provisions of section 20A of this act."

Page 27, after line 15, insert:

"SEC. 20A. Individuals and aggregations of individuals transacting an insurance business upon the plan known as Lloyd's, whereby the individual underwriters become liable severally for specified proportions of the whole amount insured by a policy, heretofore organized under the laws of a State of the United States, or of a foreign government, may be authorized to transact business in the District upon the following conditions:

"1. They shall comply with and be subject to the same terms, conditions, and provisions as are imposed by this act upon foreign stock insurance companies, except as provided in the next succeeding paragraph and except that the maximum amount of insurance to be assumed by an individual underwriter upon any single risk for each kind of insurance shall not exceed 10 percent of the value of the cash and securities deposited in trust by such underwriter, plus the share of admitted assets other than underwriter's deposits of such Lloyd's belonging to such underwriter, less the share of liabilities and reserves of such Lloyd's allocable to such underwriter, but in no event shall it exceed 10 percent of the value of cash or securities deposited in trust by such underwriter;

"2. They shall have and shall at all times maintain surpluses of not less than $300,000 in the aggregate and shall at all times have on deposit with an insurance department of a State of the United States, or with a bank or trust company designated by such insurance department, for the benefit of all policyholders within

the United States the sum of at least $350,000 in cash or in securities such as are required for the investment of the assets of insurance companies authorized to do business in the District: *Provided*, That they shall not be required to establish or maintain such a deposit if they have on deposit in the hands of a bank or trust company in the United States as trustee cash deposits or securities issued by the United States worth not less than $2,000,000 in the aggregate and held in trust for the benefit of all policyholders in the United States;

"3. They shall file with the superintendent an authenticated copy of their powers of attorney and an authenticated copy of the trust agreement, or other agreement under which deposits made by underwriters are held;

"4. They shall notify the superintendent forthwith of any amendments to their powers of attorney, deposit agreement, or other documents underlying their organization, by filing with the superintendent an authenticated copy of such documents as amended;

"5. They shall notify the superintendent forthwith of any change in their names or change of attorney-in-fact, or change of address of their attorney-in-fact;

"6. In the case of an alien Lloyd's, their annual statement shall embrace only their condition and transactions in the United States, and may be verified by the oath of their resident manager or other person or persons having proper authority;

"7. There shall be filed with the superintendent by the attorney-in-fact at the time of filing the annual statement, or more often if the sueprintendent requires, a statement verified by the appropriate official of such Lloyd's, setting forth—

"(a) the names and addresses of all the underwriters of such Lloyd's;

"(b) a description of the cash and securities deposited in trust by each underwriter;

"(c) the maximum amount of insurance assumed by each underwriter upon any single risk or each kind of insurance;

"(d) that the maximum amount of insurance assumed upon any single risk for each kind of insurance by any individual underwriter does not exceed the limitation provided for in paragraph 1 of this section."

Page 33, lines 22 and 23, strike out "in his opinion is illegal, inequitable, or contrary to public interests" and insert "is inequitable, or does not comply with the requirements of the law of the District."

Page 41, line 17, strike out "42" and insert "41."

Page 43, line 23, strike out "41" and insert "40."

Page 45, strike out lines 8 to 25, inclusive, and lines 1 to 16, inclusive, on page 46.

Page 46, line 17, strike out "41" and insert "40."

Page 46, line 20, strike out "42" and insert "41."

Page 48, line 10, strike out "42" and insert "41."

Page 50, line 12, strike out "43" and insert "42."

Page 51, line 5, strike out "44" and insert "43."

Page 51, line 16, strike out "45" and insert "44."

Page 52, line 3, strike out "46" and insert "45."

Page 52, line 4, strike out "46" and insert "45."

Page 52, line 8, strike out "through any" and insert "by appeal or through any other."

Page 52, line 19, strike out "47" and insert "46."

Page 52, line 22, strike out "48" and insert "47."

Page 53, line 1, strike out "49" and insert "48."

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. MICHENER. Reserving the right to object, Mr. Speaker, will the gentleman tell the House whether or not the minority Members are agreeable to bringing this up at this time and concurring in the Senate amendments?

Mr. RANDOLPH. Yes. I may say that I have discussed it with the ranking minority Member the gentleman from Illinois [Mr. DIRKSEN] and other Members on the minority side. The gentleman from Illinois conferred with them, and we are all agreeable to the Senate amendments and believe that the bill should be passed in this form.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

EXPLANATION

Mr. RUTHERFORD. Mr. Speaker, my colleagues from Pennsylvania, Mr. MCDOWELL and Mr. CORBETT, were unavoidably detained today. They asked me to announce that had they been present they would have voted for the Railroad Unemployment Insurance Act and its amendments.

EXTENSION OF REMARKS

Mr. ROUTZOHN, by unanimous consent, was granted permission to revise and extend his own remarks.

PAN-AMERICAN OLYMPIC GAMES

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point.

The SPEAKER. Is there objection?

There was no objection.

Mr. NICHOLS. Mr. Speaker, I have asked for this time that I might call the attention of the House to the inspired efforts of the newly organized Pan American Olympic Games Committee to arrange for a great Olympic sport carnival to illustrate the solidarity and unity of the 21 American republics. The pan-American games, as a means of creating good will and friendlier relations, is not a new idea. It has been floating around for years, but conditions existing elsewhere have only served to focalize attention on their importance and need. For that reason a group of public-spirited citizens of this and other pan-American countries have unselfishly banded together, unmotivated by thought of personal glory or promise of pecuniary gain, to promote sportsmanship, fellowship, and friendship among the Americas, on a scale never before attempted.

The pan-American games, based on the principle of sound understanding and abounding confidence, as engendered by competitive athletics, is a noble one and it was with great pleasure that I gladly accepted the invitation to be a member of that distinguished Committee.

I am convinced that if such a program were placed on a permanent basis with games alternating between the United States and the Latin American countries it would fit in perfectly with the good-neighbor policy of the President and of Mr. Hull, our distinguished Secretary of State.

In recent conversations with the heads of missions to this country, representing most of the South American governments, enthusiastic endorsement has been given to the proposed games and further they state that their people would be happy for the opportunity to visit the United States to compete with the splendid athletes of this country.

Washington, our Nation's Capital, has been selected as the site for inauguration because it is peculiarly and especially equipped. It is not only the capital of the greatest and wealthiest nation on earth, the capital of political ideology and intellectual attainment, it is also the hub around which revolves the spirit of pan-American unity and friendship.

So, with your cooperation and the cooperation of all Americans, I look forward with anticipation to a new era of friendly competitive athletic relations between the Americas and to that great spectacle of amateur sport, the pan-American Olympic games.

I will have more to say on this subject at a later date and will keep the House advised as to the progress of this plan.

EXTENSION OF REMARKS

Mr. KELLY and Mr. COSTELLO, by unanimous consent, were granted permission to revise and extend their own remarks.

BOLINROSS CHEMICAL CO., INC.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 8868) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Bolinross Chemical Co., Inc., with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 7, strike out "alleged unlawful."

Page 2, line 2, after "on", insert "or about."

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. LEAVY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from the Secretary of the Interior, Hon. Harold L. Ickes, with reference to a bill that I introduced concerning Bonneville and Grand Coulee.

The SPEAKER. Is there objection?

There was no objection.

COULEE DAM

Mr. HILL. Mr. Speaker, on account of the fact that in the House only one Member can sponsor a bill, I have introduced a duplicate measure to that offered by the gentleman from Washington, Judge LEAVY. Because of the fact that Coulee Dam is in the northern part of my district and Bonneville in the lower part of my district, I am very much interested in having those two great projects united so as to give cheap electric power to the people of the State of Washington.

AMENDMENT TO THE MOTOR CARRIER ACT

Mr. SOUTH. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 10398) to amend part II of the Interstate Commerce Act—the Motor Carrier Act, 1935—as amended, so as to make certain provisions thereof applicable to freight forwarders, with amendments.

The SPEAKER. The Clerk will report the bill, as amended.

The Clerk read as follows:

A bill to amend part II of the Interstate Commerce Act, as amended, so as to make certain provisions thereof applicable to freight forwarders

Be it enacted, etc., That part II of the Interstate Commerce Act, as amended, is amended by adding after section 228 the following section:

"SEC. 229. The terms 'common carrier by motor vehicle,' 'common carrier of property by motor vehicle,' 'motor carrier,' and/or 'carrier' wherever used in sections 216 (b), 216 (c), 216 (d), 216 (e), 216 (f), 216 (g), 216 (h), 216 (i), 217, 219, 222, and 223 of this part, as now in effect or as hereafter amended, shall include freight forwarders, who are hereby defined to be all persons, except carriers otherwise subject to this act, who in the performance or discharge of an undertaking as a common carrier to transport property, or any class or classes thereof, for the general public in interstate or foreign commerce for compensation, utilize or employ the instrumentalities or services of another common carrier by railroad, water, motor vehicle, or express, or any combination thereof: *Provided, however*, That any common carrier subject to this act, without making application for or obtaining a certificate, may either directly or by means of a subsidiary corporation or other agency, engage in and conduct forwarding operations subject as to such operations to the same provisions of this act as respectively apply to freight forwarders."

SEC. 2. Such section 229 shall become effective 30 days after the date of enactment of this act, except as to rates, charges, classifications, regulations, and practices contained in tariffs voluntarily filed or adopted by any freight forwarder and filed prior to said effective date, with respect to all of which the provisions of such section shall be held to have become effective as of the date of the filing of such tariffs; and such section 229 shall cease to be effective on August 1, 1941. No freight forwarder shall be held to be criminally liable, under any provision referred to in such section 229, on account of any act done or omitted to be done prior to the date of enactment of this act.

The SPEAKER. Is a second demanded?

Mr. WOLVERTON. Mr. Speaker, I demand a second.

Mr. SOUTH. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Texas [Mr. SOUTH] is recognized.

Mr. SOUTH. Mr. Speaker, I think the membership pretty well understands what this bill undertakes to do.

Prior to the enactment of the Motor Carriers Act in 1936, certain so-called forwarding companies had been performing a valuable service to the shipping public. The railroads and other common carriers were not unfriendly toward them. After the enactment of this legislation—that is, the Motor Carriers Act—the forwarders entered into joint or combination rates with the railroads and other carriers. The question then came before the Interstate Commerce Commission as to whether they were indeed common carriers and had the right to enter into such rates. The Commission held that they did not have this right. The matter then went to the lower courts and finally to the Supreme Court of the United States, and the Supreme Court upheld the action of the Interstate Commerce Commission in holding that these forwarders did not have the right to enter into combination or joint rates.

The Interstate Commerce Commission has suspended from time to time the taking effect of this holding. The legislation now under consideration, if passed, would further defer the taking effect until August 1, 1941.

Mr. Eastman testified at some length before the committee of the Senate. He also appeared before the House committee, at which time this matter was under consideration, and Mr. Eastman agreed with our committee that this whole question of forwarder legislation should receive considerable study before permanent legislation is enacted.

This legislation, if passed, will retain the status quo, so to speak, until August 1941, and of course at that time it will expire regardless of whether permanent and well-considered legislation may have been enacted.

Mr. MURDOCK of Arizona. Mr. Speaker, will the gentleman yield?

Mr. SOUTH. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. May I ask what would be the situation if this bill should fail to pass at this session of Congress?

Mr. SOUTH. I think Mr. Eastman can best answer what the effect would be I may say to the gentleman from Arizona. His statement on this point is brief and I should like to read it:

As I have stated, if the motor carriers are obliged, after July 20, to charge their local less-carload rates on forwarder traffic, there is every reason to believe that not only the forwarders but many shippers in the smaller communities and hundreds of motor carriers of the smaller type will suffer. Nor will there be any benefits from the change to offset the harm done.

Mr. Eastman further testified:

The so-called freight-forwarding companies constitute a third group of agencies for specialized service in connection with package freight. There is an apparent tendency in some quarters to regard them as pariahs. I can see no justification for such an attitude. While there are blots on their escutcheon, their rapid growth is the result of the fact that they have given the general shipping public a service which it wanted and needed and was entitled to have. As the Commission, which certainly had no predisposition in favor of the forwarders, said in Freight Forwarding Investigation (220 I. C. C. 301):

"There can be no doubt that the forwarder method of handling traffic has made for itself an important place in the traffic field."

Their original service was a simple one. They provided a medium through which shippers of packages between the larger communities could concentrate their shipments into carloads. The forwarder took charge of the concentration at origin and of the distribution at destination, and shared the benefit of the lower carload rate with the shippers. The great growth of the forwarders, however, came with the development of over-the-road motortruck transportation. Such transportation, for the shorter hauls at least, is undoubtedly a more flexible, convenient, and economical means of transporting package freight than the railroad, particularly where the latter must use way-freight train service. By the use of trucks, the forwarders found that they could extend their operations beyond the larger centers into the smaller communities and give the latter the benefit of the concentrated carload movement between the centers. This coordination of motor and rail transportation gave the shippers at these smaller communities quicker, more convenient, and more dependable service than they could get from the railroads alone. For some hauls the forwarders used the truck all the way from origin to destination. Their service became very popular.

The result would be that about 50 percent of the work now being done by the forwarders would be stopped and the loss would be largely on off-line points, that is in the interior or small towns, and small shippers would suffer, whereas the shippers up and down the main lines would continue to get the benefit of these reduced rates.

Mr. MURDOCK of Arizona. The gentleman's statement is in keeping with the correspondence I have had that matters would be thrown into great confusion and that loss would result to businessmen.

Mr. SOUTH. I thank the gentleman, and I think that is absolutely true.

Mr. MURDOCK of Utah. Mr. Speaker, will the gentleman yield?

Mr. SOUTH. I yield.

Mr. MURDOCK of Utah. I have had a couple of inquiries from my State with reference to this bill and there seems to be some misapprehension on the part of the writers of these communications that this bill has something to do with the long-and-short-haul clause of the fourth section. From

what the gentleman says I assume the bill has nothing to do with the long-and-short-haul clause.

Mr. SOUTH. Not at all. This bill regulates forwarders only and the question of the long-and-short-haul clause does not enter into it, I may say to the gentleman from Utah.

Mr. Speaker, I reserve the balance of my time.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I wish to emphasize the thought that the purpose of this act is nothing more or less than an effort to maintain in a sense of the status quo of forwarders engaged in interstate commerce.

Under the ruling of the Interstate Commerce Commission, and affirmed by the Supreme Court of the United States, certain operations or practices of so-called freight forwarders were declared contrary to law. The Interstate Commerce Commission has, since the Supreme Court decision, granted a stay of its cease-and-desist order to a future date to enable consideration to be given to the subject matter by the Congress before the business of said forwarders should be adversely affected by the order to which I have already made reference.

The present bill does not seek to provide permanent legislation on the subject. To do so would require long hearings and careful consideration. As it was not possible to conduct such hearings and give the necessary consideration in the closing hours of this session, it seemed best to recommend "stopgap" legislation to be effective only until August 1, 1941.

The SPEAKER. The question is, Shall the rules be suspended and the bill passed?

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to amend part II of the Interstate Commerce Act, as amended, so as to make certain provisions thereof applicable to freight forwarders."

EXTENSION OF REMARKS

Mr. LEAVY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address delivered by Fred W. Catlett, member of the Federal Home Loan Bank Board, on the history, purpose, and accomplishments of the Home Owners' Loan Corporation, before the National Association of Mutual Insurance Agents at the Wardman Park Hotel, Washington, D. C., on September 25. This slightly exceeds the limit, but I have an estimate from the Public Printer.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. BOLLES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the Milwaukee Journal.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MURDOCK of Arizona asked and was given permission to revise and extend his remarks.

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a few remarks about Thomas Jefferson.

The SPEAKER. Is there objection to the request of the gentleman from Iowa [Mr. JENSEN].

There was no objection.

The SPEAKER pro tempore (Mr. JOHNSON of Oklahoma). Under a previous special order the gentleman from Ohio [Mr. SMITH] is recognized for 30 minutes.

DEBT—INFLATION—CONFISCATION

Mr. SMITH of Ohio. I am fully aware of the great unpopularity in Congress and about Washington of discussing forthrightly and realistically the subject matter that I am presently considering—particularly with that portion relating to the public debt. I am also fully cognizant of the danger to any Member who attempts such a discussion before this body of being charged by innuendo, if not openly, of being against adequate military preparedness, if not something even worse. It appears this subject now has become almost taboo in this Chamber—indeed that it is little short of sin to admit it to our councils. There has even developed a belligerency against it.

This sentiment is, of course, both baseless and unfair, because there is nothing to substantiate the idea that those of us who would keep watch on the Treasury are any less desirous of supplying adequate defense, or that our motives are less patriotic than those with whom we may not always see eye to eye. Conserving the national credit in time of peace, as well as in time of war, always has been one of the major tasks of statesmen. Financing defense or war so as to achieve maximum results and do the least amount of harm to the internal economy, as reference to history will show, has always been their guiding motive. The wisest and best of them never failed, under any circumstances, to guard with the greatest concern, the resources entrusted to their care.

With respect to the military they have ever been keen in realizing that it can never exceed in strength and effectiveness its source of supply, the Treasury. Here perhaps in time of peace, and certainly in time of war is likely the basic protection of every people, and assuredly their first line of defense against external attack. So self-evident and basic is this principle that it should be unnecessary for anyone now to restate it.

What appears to me to be even more serious is the passive attitude of mind which apparently prevails in the Congress toward the question of our Federal finances and debt. It seems to me a feeling of resignation, of giving up trying to do anything about it, of defeatism itself, is now almost controlling here. This to me is a deplorable situation, and should not be.

This Congress should snap out of all this. It is our duty and responsibility to face this problem squarely. This much is demanded of us.

In my judgment the most essential need of the hour is a forthright recognition by the Congress and the people throughout the country that our rapidly mounting public debt and disordered currency and credit are becoming increasingly serious and menacing. Whatever hope the Congress may have of being able to take in hand and get under control this situation, we cannot defer action much longer. Either we will get it under control quickly or our Nation will become bankrupt, and the whole matter will be left to be settled by forces, which, judging from past experience, will have the most dire consequences to our people.

The menace is doubly aggravated by the new defense problem. We are involved in a vicious process—a weak and disorganized economy threatened with national bankruptcy, yet the need of spending large sums for defense, which are being raised by more deficit financing which in turn results in a further increase in the debt and more aggravation of the distressed economy, and so, caught in the mangling Charybdis, we go on round and round and down and down in this vicious cycle.

Since the strength of our military is dependent on the soundness of our economy, and since this process operates every moment to weaken still further our basic means of supply, there is all the more reason why we should get our finances under control.

The very need of spending large sums for defense demands this.

It is no part of this discussion to lay the blame for our trouble to any particular party. It has its root causes so deep in the past that it is now impossible to trace all of them to their sources, much less locate them in individuals or political parties.

This study is divided into three main parts, namely, first, that relating to the growing Federal debt; second, the condition of the bank credit, more particularly with respect to inflation possibilities; and third, the political confiscation of the produce of labor and its arbitrary redistribution by means of grants, payments, subsidies, and so forth.

Bringing together these three separate studies under one general head gives us a clearer picture of the diseased

condition of our economy as a whole. Deficit financing, credit inflation, and political redistribution of wealth are, as I shall try to show, a part of the same general process. Therefore, the studies under each of these headings should be considered from this standpoint.

MOUNTING FEDERAL DEBT

Table A relates to the state of the Federal finances. In studying this table it is of the utmost importance to constantly bear in mind the important fact that the figures for the depression period relate entirely to peacetime and that they do not include expenditures for the new defense program, except a comparatively small amount for 1940.

It should also be constantly kept in mind that the Treasury Department debt figures pertaining to the depression-year period do not include items involving substantial amounts which should be included. This phase will be discussed more fully later.

Column 3 shows the World War rise in the annual interest charge on the pre-war debt from $22,900,869 in 1916 to $1,020,251,000 in 1920; its drop to $559,276,000 the early part of the depression in 1932; its rise again in peacetime to $1,041,000,000 in 1940.

Column 4 shows the World War rise in the annual amount of ordinary receipts from the pre-war level of $782,534,000 in 1916 to $6,694,565,000 in 1920, its drop to $4,177,941,000 in the first year of the depression in 1930, and its sharp and great drop from this point to $2,005,725,000 in 1932, and, finally, its rise again in peacetime to $5,925,000,000 in 1940.

Column 5 shows the wartime rise in total ordinary expenditures from the pre-war level of $734,056,000 in 1916 to the high mark of $18,514,879,000 in 1919; their drop from this high point to $4,535,147,000 in 1932—they had in 1927 reached the post-World War low of $2,974,029,000—then a temporary drop to $3,863,544,000 in 1933, and a sharp rise again over the next 7 years of peacetime to $9,537,000,000 in 1940.

Column 7 shows the rise of the pre-World War debt of $1,225,145,000 in 1916 to the highest World War debt of $25,482,034,000 in 1919; its drop from the latter figure to $16,185,308,000 in 1930; and, finally, its rise to the all-time high during peacetime to $42,967,531,000 in 1940.

Column 8 shows the rise of per capita ordinary receipts from the pre-World War level of $7.92 to the highest World War figure of $63.33 in 1920; the drop from this latter figure to $15.74 in 1932; and thence the rise again to $44.88 in 1940.

Column 9 shows the rise of the pre-World War per capita debt of $11.96 in 1916 to the highest World War figure of $240.09 in 1919; the gradual drop from the latter figure to $131.49 in 1930; and, finally, its steep rise to $325.53, in 1940, the all-time high.

Column 6. The data presented here are highly significant. Their importance will be made more apparent when they are considered in connection with ordinary receipts and expenditures and divided with reference to three periods of time—that of the 4 heavy World War years, 1917–20, the 3 first deficit years of the depression, 1931–33, and that of the 7 years of the depression, 1934–39, as follows:

	4 heavy World War years, 1917–20	3 first deficit years of depression, 1931–33	7 deficit years of depression, 1934–40
Total receipts	$16,635,728,000	$7,275,060,000	$34,160,302,000
Average annual receipts	4,158,932,000	2,425,013,000	4,880,043,000
Total expenditures	39,592,605,000	13,364,000,000	56,501,926,000
Average annual expenditure	9,898,151,000	4,444,000,000	8,071,703,000
Total deficit	23,044,771,000	6,089,463,000	24,035,217,000
Average annual deficit	5,761,192,000	2,029,821,000	3,433,602,000

NOTE.—The separation of the depression years int two periods is not made to emphasize the increase of expenditures of this over the previous administration. It is made primarily to show that the sudden great increase in expenditures in 1934 and the final abandonment of the gold standard and orthodox financing took place at the same time. The heavy deficit financing since then could, of course, not have taken place had we remained on specie payment.

From this arrangement, first by comparing the figures of the 7-peacetime-year period with those of the 4-wartime-year period and second, comparing the 7 last deficit-year period of the depression with the 3-first-deficit-year period of the depression, the following important deductions appear—chargeable against ordinary receipts.

The average annual expenditure of the 7-peacetime-year period was 81 percent of that of the 4-year World War period.

The average annual deficit of the 7-peacetime-year period was approximately 60 percent of that of the 4-year World War period. Note also that receipts during the 7-year period averaged annually 17 percent more than during the 4-year World War period.

While the average annual receipts in the 7-last-deficit-year period of the depression were more than double those of the 3-first-deficit years of the depression, the average annual expenditure also doubled and the average annual deficit increased nearly 70 percent.

The total deficit of all administrations up to the end of the fiscal year 1930, covering a period of 141 years, which included the costs of all our wars, all our previous panics and depressions, was $26,655,000,000.

The total deficit from the end of the fiscal year 1930 to the end of the fiscal year 1940, covering a period of only 10 years, all peacetime and including a comparatively small part of the costs of the added defense program, was $30,124,680,000, or about 13 percent more than that of the 141-year period.

The total net deficit, as reflected in the gross public-debt figure, of the 141-year period was $16,800,000,000, while the total net deficit, as also shown in the public-debt figure, for the 10-year period was, roundly, $26,500,000,000, or nearly 58 percent more than the 141-year period.

The total cost of the Federal Government through 1930, including all wars, depressions, and panics, 141 years, was, roundly, $100,000,000,000. Congress has spent, appropriated, and authorized to be spent since 1930 to the present time a little more than 10 years, more than $90,000,000,000.

But, as stated, the debt figures as shown on Treasury statements do not reflect certain items which should be included. An instance is $800,000,000 appropriated to the United States Housing Authority—see analysis of operations of the United States Housing Act, CONGRESSIONAL RECORD, July 24, 1939, page 3482, by the Honorable FREDERICK C. SMITH.

Perhaps nothing reveals more clearly the deplorable state of our national finances than the daily statement of the United States Treasury of the general-fund balance.

As of August 31, 1940, this was given as $2,610,565,371.14. Actually on that date the general-fund balance stood at $907,775,285.65. Table B at the end of the text is an analysis of the general-fund balance, which was made for me by the General Accounting Office. Of this $907,775,285, $142,816,382.16 was increment of gold; that is, so-called gold profit from devaluation, and $590,457,103.09 silver coined at $1.29 an ounce.

Let us admit for the sake of argument this gold increment to be worth the amount given in the Treasury statement. But we cannot admit even this much for the value of the silver. We are positive silver is now worth no more than 35 cents an ounce, for that is the price the Treasury is paying for it in the world market. Therefore, at 35 cents an ounce instead of $1.29 an ounce, the silver figure in the operating-fund balance should be about $160,300,000, which would reduce the balance to, roundly, $303,000,000, instead of the Treasury's daily statement figure of $2,610,565,371.14. This analysis of the general-fund balance actually shows the Treasury was carrying $1,544,000,000 liabilities as assets.

Confronted with findings in the Treasury of such irregular transactions as this, what possibility is there of knowing what the real debt status is?

The Treasury figure placed the public debt as of July 2, 1940, at $42,967,000,000—Treasury press release, July 2, 1940. To this, as we have already seen, would have to be added the $800,000,000 U. S. H. A. appropriation which brings it up to $43,767,000,000 as of that date.

As of July 31, 1940, in addition to this amount, the Government had outstanding liabilities in the form of guaranteed Federal securities amounting to $5,548,904,930—includes accrued interest.

It is true the thirty-some political lending agencies which have issued these obligations claim to have an excess of assets over liabilities of $4,250,423,831—combined statement of assets and liabilities of Government corporations and credit agencies of the United States Treasury, July 31, 1940. Daily statement of the United States Treasury, August 31, 1940. But this statement is of little value since there has not been any audit of the operations of these lending agencies by the General Accounting Office or any other independent agency.

Five of these agencies with assets, other than interagency assets, of $4,878,769,000, which is more than a third of the assets of all the agencies, are only "partially subject to audit"—Senate Document 172—by the General Accounting Office, four of which are subject to such partial audit only by Executive order—Senate Document 172—which the President could withhold at will.

Fifteen of them, with assets, other than interagency assets, of $6,725,861,000, which is more than half of all the agencies, are not subject to audit at all by the General Accounting Office.

Thus far we have considered the debt only up to the end of the fiscal year 1940. This has included no part of the cost for the new or added defense, except a comparatively small amount of 1940. What of 1941? What will be this year's deficit?

Senator BYRD estimated the deficit for the fiscal year 1941 will be "at least eight billions and perhaps more—CONGRESSIONAL RECORD, page 12191, September 14, 1940. The gentleman from Pennsylvania, Congressman RICH, estimated it would be $6,192,602,706—CONGRESSIONAL RECORD, page 9803, August 1, 7940. The Secretary of the Treasury estimated the deficit for 1941 would be about $5,700,000,000"—Statement by Secretary Morgenthau before the Ways and Means Committee of the House of Representatives, Friday, August 9, 1940. However, neither he nor the gentleman from Pennsylvania [Mr. RICH] included in their estimates the additional $1,800,000,000 appropriation and authorization for defraying the cost of training conscripts and National Guard men.

From these and other available figures we can be reasonably certain the public-debt figure will reach the $50,000,000,000 mark by the end of the fiscal year 1941. This will be a per capita rise in the Federal debt for 1941 of $50.25 and will bring the total per capita debt up to $378.78.

For defense alone this Congress at this session has appropriated and authorized to be spent, roundly, $16,572,000,000.—Seventy-sixth Congress, third session, third supplemental deficiency appropriation bill report. In addition, about $7,000,000,000 has been appropriated for the regular operating costs of the Government. This totals $23,572,000,000. It is most likely more appropriations will be made for the fiscal year 1941.

Not all of the amount appropriated and authorized will be spent this fiscal year, but in all probability most of it will be spent by the end of 1942.

From these data I believe it is safe to say the Federal debt will reach sixty billions by June 1942. This does not include contingent liabilities, and so forth. This rise in 2 years of the public debt will increase the annual interest charges by $425,000,000. The estimated increase in 1942 will raise the per capita debt by $68.76, or to a total of $454.76.

The new taxes voted, about one billion, are too piddling to even be taken into consideration. Considering the mood the administration and Congress are in, it may be expected additional appropriations in sufficient amount to absorb all the new taxes that have been levied or will be levied this year will be forthcoming.

But this is not all that is looming before us. Let us consider for a moment the probable cost of conscription and the two-ocean Navy when they are in full operation. In 1939 our Navy cost us, roundly, $673,000,000. It is estimated it will cost upward of $2,000,000,000 for operating and maintaining the two-ocean Navy when it is entirely completed.—Christian Science Monitor, August 1, 1940. Surely this estimate is not too high, considering the great expansion in naval bases, and so forth, that are involved. This would be an increase in our annual Navy cost of $1,327,000,000.

What will peacetime conscription cost annually? Referring to our armed forces, the Statesman's Year Book—1940 edition, page 501—says, "The actual strength at the end of June 1939 was 187,893, all ranks," exclusive, of course, of the National Guard, Officers' Reserve Corps, and Organized Reserve Corps.

The total cost of the War Department in 1939 was, roundly, $696,000,000. Dividing this figure by 188,000, the number of men then in the Army, we get the figure $3,700, the cost per soldier. This, of course, includes all Army costs, including those of the guard, Officers' Reserve Corps, and so forth. But I believe it may be reasonably assumed that the costs of the guard and all other units outside of the Regular Establishments will in this new program not be decreased, but more than likely greatly increased. But assume they remain the same.

Now, the conscription program contemplates the addition of no fewer than one and one-quarter million men to the forces we had in 1939. Certainly the program provides for a standing Army in peacetime of no fewer than a billion and a half men. But let us assume only 1,250,000 conscripts are added.

At the rate our Army cost us in 1939 the total annual cost for the additional men will be $4,625,000,000. Surely tanks, airplanes, guns, ammunition, and all the other supplies and material that go with a soldier will not cost any less in the future than in the past; neither is it likely the obsolescence will be less; the cost will probably be more and the obsolescence greater.

Adding the additional cost that will result from the two-ocean Navy, $1,327,000,000, to the cost of the conscript Army, we have a total added annual cost of $5,925,000,000. To this sum, however, must be added the $425,000,000 increased cost of service charges that will result from the increased debt. Adding this figure to the above we have a total of $6,379,000,000.

The large defense appropriations that have been made will supply the Army with material and supplies for sometime to come. But it may be expected that within a few years, as new equipment and supplies are needed, this will be the annual cost to the taxpayers for these additions.

Now, let us see where this will bring our annual Federal expenditure. The average for the 7-year period, 1934–40, was roundly eight billions. The addition of $6,379,000,000 will bring it up to $14,379,000,000.

How much of this amount can be met with current taxes?

This year the amount to be taken in is estimated at $6,367,000,000. With expenditures running at $14,379,000,000 annually it will be necessary to collect each year $8,000,000,000 additional taxes to merely balance the Budget.—Secretary of the Treasury Release, August 9, 1940.

The question is, How much of this $8,000,000,000 that is needed in addition to the amount already being collected will be forthcoming? Does anyone believe all of it will?

How much will be the deficits from here on out? How long can the debt continue to increase? What is the limit of the amount it will stand?

What will be the total annual Federal, State, and local governmental costs? Estimating State and local costs on the basis of tax collections, these amounted in 1939 to $7,630,000,000.—1939 Industrial Conference Board Almanac, page 341. To which add $14,379,000,000 Federal Government costs and we have the figure $22,000,000,000 which will be the annual cost to the producing population of the United States to maintain their several governmental subdivisions. Can we do it?

Wage earners, small-salaried employees, farmers, and the other lower-income groups pay at least 85 percent of all taxes.

Where will their standard of living go when they have to pay more than $18,000,000,000 a year in taxes?

Can there be any doubt that our Federal finances are out of control and that we are now seriously threatened with national bankruptcy?

CONDITION OF BANK CREDIT AND INFLATION POSSIBILITIES WITH PARTICULAR REFERENCE TO THE POSITION OF THE FEDERAL RESERVE SYSTEM

An act to provide for the establishment of Federal Reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

So reads the preamble to the Federal Reserve Banking Act which was passed in 1913.

The chief purposes of the banking and currency bill is to give stability to the commerce and industry of the United States, prevent financial panics or financial stringencies; make available effective commercial credit for individuals engaged in manufacturing, in commerce, in finance, and in business to the extent of their just deserts; put an end to the pyramiding of the bank reserves of the country and the use of such reserves for gambling purposes on the stock exchange.

So reads Report No. 133—page 7, part 2, Sixty-third Congress, first session—of the Senate Committee on Finance, which had under consideration the bill to create the Federal Reserve Banking System. Then the report goes on to say further:

In order to accomplish these results there are certain fundamentals recognized by all experts as essential and necessary, to wit:

First. The proper concentration of the bank reserves of the country under the control of the bank themselves safeguarded by governmental supervision.

Second. A suitable banking capital as a margin of safety.

Third. Placing the larger part of the Government funds with such banks, where they may be used in the service of the national commerce.

Fourth. Authorizing the issuance of elastic currency against liquid commercial bills under proper safeguards.

Fifth. Establishing an open market for liquid commercial bills, by providing through the Reserve banks a constant and unfailing market for such bills at a steady rate of interest.

Sixth. Finally, protecting the gold reserve of the United States by the same methods adopted in Europe, to wit, raising the rate of interest through the Federal reserve banks and authorizing such banks to acquire foreign bills when gold shipments are anticipated and taking other precautionary measures.

In the preamble and the few words quoted from this report are stated practically all of the basic purposes of the Federal Reserve Banking Act. The decentralization of banking was another promise held out.

To what extent these alleged purposes and promises were achieved and fulfilled is now too well known to require much review.

We need but glance at the accompanying table, No. C, to see how some of the major provisions are now being carried out. The System was to serve primarily as a pool, or reservoir, of redundant bank credit. By this process it was thought such credit might be better conserved and made more readily available for general use where it was in demand.

In the table C, column 2, it will be noted that during the World War period it did serve in a large measure the purpose of supplying credit to member banks, and to a lesser extent from then on until 1932. But from 1932 to the present time this function has been almost wholly dormant.

Reference to column 4 shows that practically all the credit facilities of the Reserve banks have been switched from serving the needs of member banks and private enterprise to serving the credit demands of the Federal Government incident to the heavy deficit financing.

Columns 14 and 15 of this table show how the required reserve balance has risen from a little less than $2,000,000,000 in 1931 to approximately $13,500,000,000 in 1940, and how excess reserves climbed from minus $33,000,000 in 1931 to $6,417,000,000 in 1940. These tables will be referred to again later.

The extent to which the other promises and alleged purposes of the act have been fulfilled is seen in the record of the thousands of bank failures in the twenties and in the most disastrous financial stringency and depression our Nation has ever experienced.

At least one purpose of the act, however, that of providing an "elastic currency," appears to have been fulfilled. It is with this that we are mainly concerned here.

Three principal means were provided for creating and regulating elastic currency, namely, control over the reserve requirements, control over the discount rate, and provision for open-market operations. These were the three principal levers that were to be used to put elasticity into the currency and cause it to increase in volume when the demand for credit slackened too much, and to take the elasticity out of the currency and cause it to shrink in volume when the credit demand became excessive. In perfect synchronization, these credit-control levers were to be used separately or collectively—pushed, now forward, and then backward—to supply everybody who desired credit according to their "just desserts" and "to prevent financial panics or financial stringencies," and to put an end to gambling with bank reserves.

If the demand for credit became dangerously low, the discount rate was to be lowered, reserve requirements might be reduced, and open-market buying by the Federal Reserve banks possibly instituted, one or all of which would increase the credit supply and relieve a currency stringency.

If the demand for credit became dangerously excessive, the discount rate was to be raised, reserve requirements might be increased, and open-market selling by the Federal Reserve banks possibly instituted, one or all of which would alleviate the excessive credit expansion.

Let us examine these "elastic currency" producing and regulating levers and see just how they are working, if in fact they are now working at all. We have already stated that there is no demand by the banks for loans from the Federal Reserve System. Primarily this demand is absent because the supreme political authority confiscated our gold money, thereby abolishing our standard unit of value, and forced our Nation under the domination of irredeemable paper currency. It being impossible under this moneyless system to write or make contracts in terms of any fixed value, the investment market for new capital, especially with reference to long-term agreements, has been almost completely destroyed, and naturally is in the process of being totally destroyed. New capital for investment incorporations averaged annually from 1932 to 1940, inclusive, only about 14 percent of that in the years of 1923–31, inclusive.

Another reason why people have stopped investing in venture capital what savings they still may be able to accumulate is the terriffic political onslaught against private enterprise that has taken place in the last few years, the many totalitarian, restrictive, regulatory, discriminatory, and punitive laws that have been enacted, and the inordinate increase in taxation and bureaucratic growth and control that have been foisted upon us. Still another is the enormous amount of arbitrary confiscation, taxation, and mortgaging of property that is being indulged in by the supreme political authority, and the use by it of those vast resources to redistribute the wealth of the Nation.

Still another cause of private lending institutions being driven out of existence is the recent creation of the enormous political "lending" bureaucracy. This scheme has already seriously intruded upon the whole field of private lending. There are now more than 30 of those agencies, all of which, excepting only 1, have been established since beginning in 1932. They have already usurped a substantial part of the lending business that normally belongs to private lending institutions. Their activities extend into practically all fields of endeavor, private and corporate. As of June 1939 they had made a gross amount of loans totaling about $25,000,000,000, about 15½ of which had been repaid and about 9½, including accrued interest, of which was still outstanding.—Seventy-sixth Congress, third session, Senate Document 172, part 1, table 9, page 11.

Their lending activities are on the increase. Within the last year the Export-Import Bank of Washington alone has been authorized to increase its lending capacity from $100,000,000 to $200,000,000 and later to $700,000,000. At the same

time this latter increase was made, the lending power of the Reconstruction Finance Corporation was increased a billion dollars in addition to the amount of increase granted the Export-Import Bank.

The amount of encroachment of political banking upon private banking may be better appreciated when it is reflected that the total amount of loans, discounts, and overdrafts, including rediscounts, outstanding of all the commercial and savings banks in the United States as of December 1939 was only $22,130,000,000.—Assets and liabilities of operating insured banks, Federal Deposit Insurance Corporation report. Thus it will be seen the amount of political loans outstanding by these most recently created Federal bureaus was in 1939 approximately 43 percent as much as that of the total of all loans in all commercial and savings banks of the same year. It should be borne in mind that private banking is the product of hundreds of years of development, while the political banking here being considered is mostly the product of the last 8 or 10 years.

Several important and controlling factors are responsible for the rapid progress these political lending bureaus have made in usurping the business of private lending institutions. First is the fact that the requirements for adequate security for loans is in general not as stringent with the former as the latter. The matter of adequate security cannot possibly be of as much concern to the individuals who operate a political lending agency as they are to those who operate a private lending agency. One important reason for this is that undue losses caused by lack of adequate security in the one case must be paid by the taxpayers, while in the other they must be paid by the individuals who made the blunder. An abundance of evidence has already accumulated in the operations of these political lending bureaus which shows there is a great laxity in requiring adequate security for loans. To see the truth of this one needs but to read the record as it is shown in some of the annual reports of these agencies, and especially in the report made by the Secretary of the Treasury in response to Senate Resolution 150.—Senate Document No. 172, Seventy-sixth Congress, third session.

The greater laxity of the political lending agencies in security requirements undoubtedly is a strong factor in creating demand from them for certain kinds of loans.

Loans made by these lending agencies on certain kinds of security, especially on real estate, are made particularly attractive because they are offered for a much longer period of time than those of private lenders.

Still another contributing factor here is the interest rate. The political lending agencies take a certain type of business away from private lending institutions because they charge the individual borrower a lower rate of interest than is charged by private banks.

Still another important factor that contributes powerfully to depress the private lending market is the great volume of Government obligations to finance deficits that is being forced into the credit market. With the venture capital market practically dead, such savings as still exist have no place to go but to Government securities. Having destroyed the contract and, hence, all private long-term investment possibilities, the political authority, through its present medium of deficit financing which is essentially a process of forced lending now has an extensive monopoly of credit.

Sixty percent of all Government obligations are held by the banking system and the Government itself.—Bulletin of the Treasury, March 1940, page 20. We are here dealing with one of the most serious pathologic processes that can afflict our economy. As just stated, the raising of funds to meet the huge deficits of the Federal Government is largely a matter of forced lending. The obligations that are put out by the Government are mostly not paid for out of savings resulting from productive enterprise. The process is essentially one of creating fiat credit. The costs of the World War were to a great extent financed by the same process, and it was the fiat credit created thereby which was one of the principal underlying causes of the great inflation in the twenties that led to the disastrous collapse in 1929. Fundamentally there is no difference whatever between this process of creating fiat credit and that used by Germany and which ultimately caused her great inflation.

Every dollar's worth of Government securities that has been put out since the depression for which there does not exist a dollar's worth of actively producing needed enterprise is just so much fiat credit. Surely it should require no argument to prove so simple a proposition as this. Billions upon billions, as we all know, have been spent on objects for which there is now nothing to show but debt.

Of the more than twenty-seven billions of Government obligations held by the banking system and the Federal Government itself, the latter holds almost six billion. This is listed under "Federal Agencies and Trust Funds."—Bulletin of the Treasury, March 1940, page 20. An idea of what this involves is made clear if we examine the Treasury transaction pertaining to pay-roll taxes. These taxes are collected along with other revenues and become a part of the ordinary receipts. They are not earmarked for any specific purpose but are used along with other revenues to pay the costs, ordinary and extraordinary, of the Government. Then the Treasury enters on the debit side of its ledger the amount of pay-roll taxes spent which is merely its way of formally and legally acknowledging that the taxpayers of the United States, which includes the more than 34,000,000 people who paid in the pay-roll taxes in the first place, owe so much debt, the money for which they must dig up when it comes due.

That simple little Treasury bookkeeping transaction has received the designation "trust fund." The dictionary defines trust fund as "money, securities, or other like property settled or held in trust."

If Webster is correct, and I presume he is still good authority, I cannot see wherein this Treasury transaction even remotely conforms to this definition. It neither settles or holds anything in trust. It spends the money. Then it pledges the faith of the supreme political authority to at some time in the future lay a tax or place a mortgage on all the people to raise the money it spent, and some more, too, euphemistically called interest, and to pay it all back to the appropriate beneficiaries when it comes due. And this transaction is termed "investment." Divestment, it appears to me, would be more fitting.

So far, however, as the obligations held by the Treasury which are supposed to be representative of pay-roll trust accounts are concerned, the transaction represents nothing more than a promise by the supreme political authority to use the taxing power of the Federal Government in the future to levy sufficient taxes upon all the people to replace the amount of the pay-roll taxes spent, plus the additional amount erroneously called interest. The same is, of course, probably true of all other so-called trust accounts since the Budget became unbalanced and the present system of deficit financing was begun. This most unhealthy process is possible only because of the continued deficits. Surely a balanced Budget should be of primary concern to the group that pays the pay-roll taxes.

The table below is interesting in showing some important features of the present credit situation.—Statement prepared for me by Federal Reserve Board.

[000 omitted]

	Total deposits [1]	Total investment, U. S. Government securities	Total loans	Total commercial loans [2]
June 30, 1930	$45, 557, 000	$5, 497, 000	$40, 497, 000	$15, 795, 000
Dec. 31, 1939	58, 344, 000	19, 402, 000	22, 169, 000	11, 466, 000

[1] Deposits, excluding interbank deposits.
[2] Figures for "commercial loans" for all banks each year and for member banks through 1935 include all customer and open-market loans other than loans on securities and on real estate.

The totals in this table have reference to all banks in the United States.

Column 1 shows that total deposits increased by $12,787,000,000 in the last 9 years.

Column 2 shows that during the same time total bank holdings of Government securities increased by $13,905,000,000.

Column 3 shows that the total amount of loans outstanding decreased during the same time $18,330,000,000.

Column 4 shows that total commercial loans decreased $4,330,000,000 in this 9-year period.

Whatever may be the causes and their relative importance in destroying private lending and borrowing, we know they exist and we also know that they are sufficiently strong to prevent the Federal Reserve Board from effectively using any of its powers to change or counteract them. The statutory authority it has to regulate discount rates to effect the volume of credit is wholly useless. Here we have a rather outstanding demonstration of the natural laws of finance catching up with politically planned finance. Here we have revealed to us in lines so clear and distinct that none should fail or be unable to see them one of the basic fallacies which underlies nearly all legislation, namely, that it will operate as its framers intend it shall on the "all other conditions remaining the same" naive assumption.

Little did those who wrote the Federal Reserve Banking Act dream of the possibility of a time when the banks would be bulging with billions to lend but no borrowers, and interest rates would at the same time be so low that they were approaching the vanishing point. How would the act read if they had foreseen that excess reserves, which at the time it was written were hardly known to exist, would rise from minus $73,000,000—official figures—and the high interest rate on prime commercial paper of 6½ percent in 1929 to more than $6,000,000,000 and a low interest rate on the same paper of 0.5 percent—National Industrial Conference Board, Economic Almanac, 1940, page 137—in 1939.

Now let us consider another control, that of bank reserves. We shall here consider only the function this particular banking device was supposed to perform in preventing overexpansion of credit, "to curb the use of credit speculation,"—the Federal Reserve System, 1939, Board of Governors of Federal Reserve, page 42—and to "put an end to pyramiding of bank reserves of the country and the use of such reserves for gambling purposes."—Senate Report 133, Committee on Finance, Federal Reserve Act, page 7.

So there can be no mistake whatever as to this one purpose of this means of control, we quote the following:

> In August 1936 the Board of Governors had raised reserve requirements for member banks by 50 percent in order to absorb a part of the $3,000,000,000 of reserves in excess of requirements held by members banks. Under the law the board has the responsibility of changing reserve requirements in order to prevent injurious credit expansion or contraction and the board had acted to eliminate from the credit base a part of the redundant reserves accumulated through a large volume of gold imports.
>
> The Board's action was in the nature of a precautionary measure to prevent uncontrollable expansion of credit in the future.[1]
>
> Member banks at present have excess reserves of $3,600,000,000, and this total may be doubled in the future. To absorb these reserves the System has the power to raise reserve requirements by $800,000,000 and to make sales out of its portfolio of United States Government obligations, which amounts to $2,560,000,000. The use of the available means of absorbing reserves, to the extent that it may be in the public interest to do so, would still leave the banks with a volume of excess reserves upon which it would be possible for an injurious credit expansion to develop.
>
> The ability of the banks greatly to expand the volume of their credit without resort to the Federal Reserve banks would make it possible for a speculative situation to get under way that would be beyond the power of the System to check or control. The Reserve System would therefore be unable to discharge the responsibility placed upon it by Congress or to perform the service that the country rightly expects from it.[2] As of September 12, 1940, excess reserves of member banks amounted to $6,540,000,000.

If the Board of Governors found it necessary in 1936, when excess reserves were only $3,000,000,000, to raise Reserve requirements "by 50 percent * * * to prevent uncontrollable expansion of credit," why do they not in this year of 1940, when excess reserves are up to $6,540,000,000, find it necessary to raise reserve requirements "to prevent uncontrollable credit expansion?"

If a reduction of $3,600,000,000 excess reserves by $800,000,000 plus an additional substantial reduction by open-market selling of bonds out of their portfolio of $2,560,000,000 of Government's "would still leave the banks with a volume of excess reserves upon which it would be possible for an injurious credit expansion to develop," then what are we to think of the possibilities of injurious credit inflation with excess reserves standing at the present high figure? The $6,540,000,000 excess reserves if fully utilized could be expanded into rounding $40,000,000,000 deposit liabilities.

Though the Federal Reserve Governors heretofore, when the excess reserves were less than half of what they are now, took measures to reduce them because they regarded them as being a menace to our credit structure, yet they fail now to avail themselves of these measures. Why is this? Why do they not ask Congress for authority to increase the reserve requirements in order that they might reduce the enormous volume of excess?

In the first place, the old causes that operated to produce excessive bank reserves, those which were present when the Reserve Act was written, have, as I have already indicated, ceased to operate. But what is at the moment more to the point is that entirely new causes for creating abnormally excessive bank reserves, causes wholly undreamed of by the men who wrote the act, have in recent years made their appearance. No control levers could, of course, be provided for these unforeseen conditions.

Foremost of these are the gold and silver purchasing program. They are altogether new and powerful means for building up bank reserves. Every dollar of gold bought creates $1 of base credit in the banking system. This $1 is expandable into $6 of deposits. Since the gold-purchase program began we have imported in round numbers about fourteen billions of gold. That created fourteen billion base dollars, which under the Reserve plan could be expanded to eighty-four billion.

More than one and a quarter billion silver-dollar certificates have been issued at the rate of $1.29 an ounce against silver which on an open world market today might fetch as little as 10 cents an ounce.

Every one of these silver-dollar certificates represents one base deposit dollar. Here we have the possibility of an additional six billions of deposit liabilities.

As these enormous amounts of gold credit dollars and silver-dollar certificates are deposited and pyramided in the banking system they, of course, build up huge reserves, so great that any controls provided in the Federal Reserve Act for keeping them within the limits of safety would perhaps be wholly inadequate and ineffective even if the attempt were made to utilize them.

But the amount of reserves that may be created by the accumulation of primary credit deposits through the initial purchase alone of gold and silver is but a comparatively small part of that which may be created through other ways and means. Here in addition to those stated are some of these, and the amounts of deposit liabilities that could, theoretically, at least, be produced by them.

Although under present reserve arrangements credit can be pyramided to nearly seven times the amount of the original or base deposit, the multiplier six is being used to be conservative.

	Base deposits	Possible deposit liability
Thomas inflation amendment	$3,000,000,000	$18,000,000,000
Excess member-bank reserves	[1] 6,540,000,000	39,240,000,000
Excess gold reserves now held as security for Federal Reserve notes could be used as 40-percent security for additional Federal Reserve notes in the amount of	[2] 7,743,701,000	46,462,206,000

[1] Board of Governors, Federal Reserve press release, Sept. 12, 1940.

[2] As of Feb. 26, 1940. At that time there was outstanding in Federal Reserve notes $5,162,468,000. Under the Federal Reserve Act only 40 percent gold reserve is required as security for Federal Reserve notes. But actually the Federal Reserve notes outstanding were secured by more than 100 percent gold. The excess of 100 percent gold security was slight and is disregarded in the figures here presented. However, 60 percent of the gold dollars securing the Federal Reserve notes, or $3,097,480,000 would be available for additional Federal Reserve note issues, and would produce 2½ times that amount of Federal Reserve notes, or $7,743,701,000.

[1] Page 2, Twenty-fourth Annual Report of the Board of Governors of the Federal Reserve System covering operations for 1937.

[2] Page 22, Twenty-fifth Annual Report of the Board of Governors of the Federal Reserve System covering operations for 1938.

	Base deposits	Possible deposit liability
Excess gold reserves held by the Federal Reserve banks could be used as 40 percent security for Federal Reserve notes in the amount of	[3] 28, 227, 500, 000	169, 365, 000, 000
Silver [4]	1, 000, 000, 000	6, 000, 000, 000
Total	46, 511, 201, 000	279, 067, 206, 000
To which could be added, if the President used the powers he now has to "devalue" the gold and silver dollar to the limit allowed by law:		
Gold as 40 percent security against Federal Reserve notes	9, 310, 527, 500	55, 863, 165, 000
Silver as security for silver certificates	5, 000, 000, 000	30, 000, 000, 000
Total	60, 821, 728, 000	364, 930, 368, 000

[3] The amount of excess gold reserves is as of this date (information received from Mr. Scudder of the Federal Reserve) $11,291,000,000. As 40 percent reserve for Federal Reserve notes this amount of gold would produce 2½ times $11,291,000,000 or $28,227,500,000 Federal Reserve notes.

[4] As of January 1940. Silver continues to accumulate.

The above figures do not take into consideration the $2,000,000,000 stabilization fund which could be used in many ways to produce credit inflation. Nor do they include the further possibilities of credit inflation from the continued influx of gold and silver.

It is, of course, impossible for the mind to grasp anything like the full import of this situation, if indeed it can grasp any part of it. We are here apparently in the realm of the infinite. Judged by past monetary and credit standards, and some of the classical money and credit debauchments, that of Austria, in the latter part of the eighteenth and the forepart of the nineteenth centuries, of France in the nineties of the eighteenth century, of our own during colonial days, and that of Germany recently, it would appear to me that our money and credit are at present in a state of utter chaos. Certainly it will not be contended, and this is the point we wish to bring out here, that there is even a sign of any possible control by the Federal Reserve banks, by the Treasury, or any other agency, over the present credit situation.

THE POLITICAL CONFISCATION OF THE PRODUCE OF LABOR AND ITS ARBITRARY REDISTRIBUTION BY MEANS OF GRANTS, PAYMENTS, SUBSIDIES, ETC.

Tables 1, 3, and 4 at the end of the text are very important in connection with the present study. They reveal in measurable physical terms a part of the effects of the taxing, mortgaging, and spending process that is involved in the heavy deficit financing. As already indicated the process of disintegration of the economy and confiscation of private property is taking place on a large scale in many parts of the economic body. However, those changes cannot always be measured as easily, nor their implications as readily understood, as is possible in this particular field. Here we see it is possible to accurately measure in terms of money value the amount of property involved in the transfer and to see how this takes place from one State to another. It will be noted that the shift is mainly from the more easternly States westward, and to the Southern States.

It must not be thought, however, that this shift takes place only with respect to States. The process involves as well a transfer from individuals and groups to other individuals and groups within each State.

It is very important that we understand clearly what is meant by the term "wealth," that it is simply the produce of labor. Hence, by shifting of wealth we mean the taking away, by taxation, of the produce of labor from some States, groups, and individuals, and giving it to other States, groups, and individuals. In between, of course, is the political machine which in this process is now taking a toll of about a billion dollars a year.

Table 1 relates to grants, payments, subsidies, and so forth, received by each State, cost of same, and so forth, from June 30, 1933 to June 30, 1939.

A study of this table will show that in the 6 fiscal years, 1934–39, the first 30 States on this list have paid in taxes and obligated themselves by being mortgaged by the Federal Government for about $5,270,000,000 but have received in the same period of time $11,113,000,000, or in other words have had all taxes and debt returned to them and a bonus of $5,843,000,000 in addition.

The 18 remaining States have paid and obligated themselves for $35,227,000,000 and have received $15,000,000,000 in grants and subsidies, which means they have paid and obligated themselves for $20,000,000,000 more than they received. Which all adds up to this: The 30 States have had all costs refunded, hence the Federal Government has cost them nothing during this 6-year period and they have made a clear profit of nearly $6,000,000,000 while the other 18 States have had to pay all Government costs, assume the whole burden of the added debt, pay their own subsidies, and give the 30 States the $6,000,000,000 bonus.

Thirty-seven percent of the population lives in the first 30 States listed in table 1. They paid in taxes and obligated themselves about 13 percent of Federal costs and received 42.5 percent of the grants and subsidies.

The remaining 18 States with 63 percent of the population paid in taxes and obligated themselves for 87 percent of the cost and received only 57.5 percent of the grants and subsidies.

The 30 States received 42.5 percent of grants and subsidies of $11,113,126,069. Had they received grants and subsidies in proportion to the taxes and debt thus assumed they would have received 13 percent of the total grants and subsidies or $3,401,383,687. The excess these 30 States received in proportion to the taxes paid was $7,711,742,382, which represents the shift in wealth from the 18 States to the 30.

Note the extremes in this table. The highest per capita gain over the per capita cost was $682 in Nevada.

At the other extreme is Delaware where the per capita loss was $1,686.

Table 3 relates to farm-benefit payments for the 6-year period 1933–39. Here is shown also the inequitable distribution of farm-benefit payments. Note particularly, North Dakota obligated herself in Federal taxes and debt for the funds disbursed under this program for roundly $1,000,000 but received as her share roundly $117,000,000; or $117 received for every dollar paid.

At the other extreme New York obligated herself under this program in taxes and debt for roundly $639,400,000 and received as her share roundly $11,700,000; or she paid out about $54 for every dollar received.

Twenty-eight States obligated themselves in taxes and debt under this program for roundly $500,000,000 and received in farm-benefit payments roundly $2,400,000,000. Thus, these 28 States received roundly $1,900,000,000 more than they paid in.

The remaining 20 States obligated themselves in taxes and debt under this program for roundly $2,460,000,000 and received in farm-benefit payments roundly $500,000,000. Thus, these 20 States paid in roundly $1,900,000,000 more than they received.

The actual total amount of farm benefits received by the farmers themselves in this 6-year period was roundly $2,828,000,000—see footnotes under table. I have estimated, on a population basis, the farmers' share of the increase of the public debt in the 6 corresponding years is about $4,400,000,000. Thus, in these 6 years they have had their farms mortgaged for about a billion and a half more than the subsidies they received. On a population basis the farmers must pay $100,000,000 a year interest on their share of the increase in the Federal debt. On a population basis the farmers are themselves paying in taxes or debt—practically all debt—about 25 percent of the farm payments they receive.

These are some of the things the politicians do not tell the farmers.

Table 4 relates to the percentage of farm-benefit payments each State received of its farm-land valuation.

Note again the two extremes: Mississippi and Arkansas farmers received in farm-benefit payments an amount equal to 23.8 percent of their farm-land value.

One could buy a farm in Mississippi or Arkansas and pay for it almost entirely in about 24 years, except the interest on the principal, with the farm-benefit payments.

On the other hand if one bought a farm in Rhode Island and depended on farm-benefit payments to pay for it, it would take 2,000 years to get it paid off.

Thus far we have considered mainly effects, or what might be called symptoms, of deeper, underlying disease processes. Back of all the conditions discussed here at least one of these can be identified—namely, the destruction of the standard unit of value by completely confiscating all our monetary gold and forcing our Nation under the domination of irredeemable paper currency; the debasement of the gold dollar, by reducing its content; the coining of silver, which is worth perhaps no more than 20 cents an ounce, at the purely arbitrary figure of $1.29; the gold and silver purchase program at fixed prices way above the market value; the use by the Treasury of the "stabilization" fund for bolstering foreign economies by supporting their currencies; the Thomas inflation amendment which permits the Executive to print three billions of greenbacks; and the complete destruction of the contract by the Supreme Court gold-clause abrogation decision.

Look at the condition of our Federal debt and finances, of the credit situation, the stagnation of industry, long continued mass unemployment, the strong and increasing tendency of fixing prices by law and otherwise regimenting the people, the further tendency of substituting government by men for government by law, in fact the whole general trend toward government absolutism which is now so manifestly evident in our Nation.

Compare these conditions and movements with the experiences of Austria in the latter part of the eighteenth and forepart of the nineteenth centuries; of France in John Law's time, and later again in the nineties of the eighteenth century, and also with our own in colonial days.

Every one of the troubles we are now having was present in their experiences.

Now, I think there is a general agreement by all historians and students of money that inconvertible paper currency played a major role in causing the distressed condition of those countries during those periods and our own before the Revolution. How, then, can we possibly escape the conclusion that our own irredeemable paper is a major factor in causing our present financial and economic trouble?

It should be remembered that there are but two basic kinds of economy, the moneyless and the money economy.

The moneyless economy is the crude and primitive process of barter, which in organized societies vests the supreme political authority with unlimited power to fix all values.

The money economy is the refined and refining process of trading by means of a common standard unit of value. Here prices are fixed by the simple laws of demand and supply with the precious metals, gold and silver, circulating freely as coins and bullion at their intrinsic value.

Our Nation is now definitely under the moneyless economy.

The supreme political authority, which includes the Congress, has complete and unlimited power to regulate the purchasing power of the currency. Being without any standard unit of value there is, of course, no other alternative. As long, therefore, as we remain without a common standard unit of value, as long, in other words, as we remain on irredeemable paper currency, the supreme political authority must continue at an accelerating rate to fix by decree all wages, all prices, all values. Which brings us to the crux of this study. Says Andrew Dixon White in his "Fiat Money Inflation in France":

> It is easily seen that these maximum laws were perfectly logical. Whenever any nation entrusts to its legislators the issue of a currency not based on the idea of redemption in standard coin recognized in the commerce of civilized nations, it entrusts to them the power to raise or depress the value of every article in the possession of every citizen. Louis XIV had claimed that all property in France was his own, and that what private persons held was as much his as if it were in his coffers. But even this assumption is exceeded by the confiscating power exercised in a country, where, instead of leaving values to be measured by a standard common to the whole world, they are left to be depressed or raised at the whim, caprice, or interest of a body of legislators. When this power is given, the power of fixing prices is inevitably included in it.

And said the great Ricardo in the House of Commons in the classical debate on resumption:

> One principle was clear, it was of the utmost importance in the consideration of this subject, it was this, that those who had the power of regulating the quantity of the circulating medium of the country, had the power of regulating the rate of exchanges, and the price of every commodity.

The scales were definitely tipped to the left over the center in 1933 and 1934 when our standard unit of value was taken from us completely and we were forced under the domination of irredeemable paper currency.

Dictatorship—totalitarianism—is not a man. It is a system, impossible in a money economy, inevitable under a moneyless economy.

These are the facts as I see them. I regard the situation as being grave, and that it demands our most prompt and earnest attention. In this critical hour, we should spare no effort to get our national finances under control with the view of eliminating every item of cost that can possibly be dispensed with, and when this is done provide for the raising of more revenue so as to work toward a balanced Budget.

The circumstances demand this. They also demand that the Congress act as promptly as possible to restore our Nation to the money economy. This must be done to break the vicious cycle we are now in. The emergency makes this imperative.

I am introducing a resolution asking the Speaker to appoint a committee to work toward this end.

TABLE A.—*Figures taken from 1939 Treasury Report*

Year	Population	Interest on Federal public debt	Total ordinary Federal receipts	Total ordinary Federal expenditures	Surplus (+) or deficit (−) of ordinary receipts covered into Treasury compared with expenditures charged against ordinary receipts	Federal debt	Per capita Federal ordinary receipts	Per capita Federal debt
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Thousands	*Thousands*	*Thousands*	*Thousands*	*Thousands*	*Thousands*		
1916		$22,900	$782,534	$734,056	+$48,478	$1,225,145	$7.92	$11.96
1917		24,742	1,124,324	1,977,681	−853,356	2,975,618	11.37	28.57
1918		189,743	3,664,582	12,696,702	−9,033,253	12,243,628	37.06	115.65
1919		619,215	5,152,257	18,514,879	−13,370,637	25,482,034	52.12	240.09
1920	105,710	1,020,251	6,694,565	6,403,343	+212,475	24,297,918	63.33	228.32
1930	122,775	659,347	4,177,941	3,440,268	+183,789	16,185,308	34.02	131.49
1931		611,559	3,189,638	3,651,515	−901,959	16,801,485	25.04	135.37
1932		599,276	2,005,725	4,535,147	−2,942,051	19,487,009	15.74	155.93
1933		689,365	2,079,696	3,863,544	−2,245,452	22,538,672	16.32	179.21
1934		756,617	3,115,554	6,011,083	−3,255,393	27,053,085	24.45	213.65
1935		820,926	3,800,467	7,009,875	−3,782,966	28,701,167	29.75	225.07
1936		749,396	4,115,956	8,665,645	−4,952,928	33,545,384	32.23	261.20
1937		866,384	5,293,840	8,442,408	−3,252,539	36,427,091	41.55	281.82
1938		926,280	6,241,661	7,625,822	−1,449,625	37,167,487	48.95	285.43
1939		940,539	5,667,823	9,210,091	−3,600,514	40,445,417	44.49	308.34
1940	132,000	1,041,000	5,925,000	9,537,000	−3,741,249	42,967,531	44.88	325.53

TABLE B—EXHIBIT A.—*Financial statement of the U. S. Treasury, Aug. 31, 1940*

	As per daily statement	Adjustments	Revised
ASSETS			
Gold unencumbered	$272,864,561.32		$272,864,561.32
Silver unencumbered	25,164,713.91		25,164,713.91
Subsidiary silver coin	6,674,100.26		6,674,100.26
Silver bullion at recoinage value	1,664.00		1,664.00
Silver bullion at cost value	648,356,906.18		648,356,906.18
Minor coin	1,270,615.03		1,270,615.03
United States notes	1,838,548.00		1,838,548.00
Federal Reserve notes	12,458,467.50		12,458,467.50
Federal Reserve bank notes	575,355.00	$575,356.00	
National bank notes	512,821.00	512,821.00	
Unclassified collections	21,800,009.03	210,163.54	21,589,845.49
Depositaries:			
To credit of Treasurer of the United States	1,584,175,970.72		1,584,175,970.72
To credit of other Government officers	34,871,638.19		34,871,638.19
Total	2,610,565,371.14	1,298,340.54	2,609,267,030.60

TABLE B—EXHIBIT A.—*Financial statement of the U. S. Treasury, Aug. 31, 1940*—Continued

	As per daily statement	Adjustments	Revised
LIABILITIES			
Treasurer's checks outstanding	4,705,169.15		4,705,169.15
Post Office Department	4,547,522.06		4,547,522.06
Board of trustees, Postal Savings System	64,292,318.83		64,292,318.83
Postmasters, clerks of court, disbursing officers, etc	65,134,482.81		65,134,482.81
Uncollected items, exchanges, etc	18,224,308.18		18,224,308.18
Total	156,903,801.03		156,903,801.03
Balances	2,453,661,570.11	−1,298,340.54	2,452,363,229.57
Other liabilities not reported by Treasury (exhibit B)			1,544,587,944.92
General fund balance (revised)			907,775,284.65

EXHIBIT B.—*Statement of trust funds, etc., Aug. 31, 1940*

GENERAL FUND	
Assets: Transferred from exhibit A	$2,452,363,229.57
TRUST FUND, ETC.	
Liabilities:	
Trust funds	347,985,494.38
Special deposit accounts and other trust funds	140,917,454.22
Checking accounts of Government corporations and agencies	552,508,145.09
Matured public-debt securities and other public-debt items	222,998,303.05
Outstanding checks and interest coupon obligations	280,178,548.18
Total	1,544,587,944.92
Grand total	907,775,284.65

TABLE C.—*Member bank reserve balances, and related items—End of year 1918–39, and as of Aug. 21, 1940*

[In millions of dollars]

End of year or month	Reserve bank credit			Member bank reserve balances	
	Bills discounted	Bills bought	U. S. Government securities	Total	Excess
1918	1,766	287	239	1,636	51
1919	2,215	574	300	1,890	68
1920	2,687	260	287	1,781	
1921	1,144	145	234	1,753	99
1922	618	272	436	1,934	
1923	723	355	134	1,898	14
1924	320	387	540	2,220	59
1925	643	374	375	2,212	−44
1926	637	381	315	2,194	−56
1927	582	392	617	2,487	63
1928	1,056	489	228	2,389	−41
1929	632	392	511	2,355	−73
1930	251	364	729	2,471	96
1931	638	339	817	1,961	−33
1932	235	33	1,855	2,509	576
1933	98	133	2,437	2,729	859
1934	7	6	2,430	4,096	1,814
1935	5	5	2,431	5,587	2,844
1936	3	3	2,430	6,606	1,984
1937	10	1	2,564	7,027	1,212
1938	4	1	2,564	8,724	3,205
1939	8		2,489	11,493	5,046
Aug. 21, 1940	3		2,446	13,419	6,417

TABLE 1.—*Grants, payments, subsidies, etc., received by each State, cost to same, etc., from June 30, 1933, to June 30, 1939* [1]

State [2]	Cost to each State from June 30, 1933, to June 30, 1939	Grants, subsidies, etc., received by each State, 1933–39	Gain (+) or loss (−) in grants, subsidies, etc.	Per capita cost	Received per person	Per capita gain (+) or loss (−)
Arkansas	$51,863,359	$449,542,157	+$397,678,798	$25.6	$222.2	+$196.6
Mississippi	40,658,778	434,549,178	+393,890,400	20.2	216.4	+196.2
Iowa	210,708,725	543,815,031	+333,106,306	82.8	213.8	+131.0
Washington	241,251,233	564,290,314	+323,039,081	146.8	343.4	+196.6
Alabama	121,108,534	441,844,809	+320,736,275	42.2	154.2	+112.0

[1] Data from No. 9 report, Office Government Reports, and Consolidated State Report of Selected Federal Loans and Expenditures, and annual reports of the Secretary of the Treasury for years 1933–39, inclusive.

[2] We have assumed that each State will be charged for its share of the Federal debt, added during this period, in the same proportion as the taxes it has paid bear to the total Federal taxes paid during these years.

TABLE 1.—*Grants, payments, subsidies, etc., received by each State, cost to same, etc., from June 30, 1933, to June 30, 1939*—Con.

State	Cost to each State of the New Deal from June 30, 1933, to June 30, 1939	Grants, subsidies, etc., received by each State 1933–39	Gain (+) or loss (−) in grants, subsidies, etc.	Per capita cost	Received per person	Per capita gain (+) or loss (−)
Montana	$51,821,375	$371,528,936	+$319,707,561	$97.5	$699.6	+$602.1
Kansas	199,929,568	509,087,296	+309,157,728	106.0	269.9	+163.9
South Dakota	15,890,340	301,355,576	+285,465,236	22.9	435.4	+412.5
North Dakota	14,728,242	287,354,283	+272,626,041	20.9	408.7	+387.8
Nebraska	141,296,115	386,044,470	+244,748,355	103.5	283.0	+179.5
Arizona	27,924,980	250,385,834	+222,460,854	68.7	616.7	+548.0
Oregon	103,088,772	322,510,952	+219,422,180	101.3	317.1	+215.8
Tennessee	236,218,662	445,233,842	+209,015,180	82.4	155.4	+73.0
South Crolina	127,213,072	333,016,627	+205,803,555	68.3	179.0	+110.7
New Mexico	17,594,271	214,699,177	+197,104,906	41.6	508.7	+467.1
Georgia	279,101,772	474,255,105	+195,153,333	91.2	154.9	+63.7
Texas	967,386,234	1,154,640,812	+187,254,578	158.1	188.7	+30.6
West Virginia	159,083,475	334,580,871	+175,497,396	86.9	182.8	+95.9
Idaho	27,738,452	202,858,793	+175,120,341	57.1	418.2	+361.1
Louisiana	320,067,322	439,803,057	+119,735,735	150.8	207.2	+56.4
Colorado	241,248,275	359,694,946	+118,446,671	226.3	337.4	+111.1
Wyoming	21,242,492	134,893,601	+113,651,109	91.1	578.9	+487.8
Minnesota	559,142,095	668,415,115	+109,273,020	212.1	253.6	+41.5
Utah	59,622,631	168,244,166	+108,621,535	115.5	326.0	+210.5
Nevada	30,961,411	99,252,154	+68,290,743	309.6	992.5	+682.9
Oklahoma	500,049,626	558,906,628	+58,857,002	197.8	221.0	+23.2
Vermont	29,819,293	85,972,971	+56,153,678	78.4	226.2	+147.8
Maine	104,646,464	147,268,899	+42,622,435	122.6	172.6	+50.0
Florida	305,584,191	344,282,165	+38,697,974	186.1	209.6	+23.5
New Hampshire	63,005,137	84,798,304	+21,793,167	124.0	166.9	+42.9
Wisconsin	682,585,128	658,493,937	−24,091,191	234.7	226.4	−8.3
Rhode Island	222,295,540	109,228,964	−113,066,576	326.4	160.3	−166.1
Indiana	802,057,860	632,231,175	−169,826,685	231.8	182.7	−49.1
Missouri	1,012,148,210	805,930,224	−206,217,986	255.6	203.5	−52.1
Connecticut	606,524,844	240,287,381	−366,237,463	349.7	138.5	−211.2
Delaware	490,720,873	54,024,156	−436,696,717	1,894.6	208.5	−1,686.1
Maryland	753,016,362	287,290,527	−465,725,835	449.8	171.6	−278.2
Massachusetts	1,354,696,478	880,148,388	−474,548,090	306.1	198.9	−107.2
Kentucky	1,011,355,074	436,991,895	−574,363,179	350.8	151.5	−199.3
California	2,288,700,822	1,445,245,342	−843,455,480	377.7	238.5	−139.2
Ohio	2,240,373,926	1,380,074,712	−860,299,214	333.7	205.5	−128.2
New Jersey	1,574,397,289	691,203,797	−883,193,492	363.7	159.7	−204.0
Michigan	2,084,690,566	849,210,607	−1,235,479,959	435.8	177.5	−258.3
Virginia	1,643,694,289	405,629,113	−1,238,065,176	615.3	151.8	−463.5
Pennsylvania	3,357,164,781	1,743,456,390	−1,613,708,391	331.2	172.0	−159.2
Illinois	3,527,809,955	1,506,230,773	−2,021,579,182	231.8	182.7	−49.1
North Carolina	2,901,326,849	434,277,613	−2,467,049,236	839.2	125.6	−713.6
New York	8,673,202,594	2,491,408,838	−6,181,793,756	670.5	192.6	−477.9
Total	[3]40,496,756,336	26,164,489,901				

[3] This $40,496,756,336 does not represent the entire cost of the 6-year period. In the operation of the Treasury there are sources of income that cannot be credited directly to the various States. Also a study of the "Report submitted by the Secretary of the Treasury to the Senate of the United States pursuant to S. Res. 150" indicates that a true accounting and audit of the operations of the numerous agencies with which this report deals would show heavy losses. Eventually all costs must be borne by the States in proportion to the taxes they pay.

TABLE 3.—*Farm-benefit payments for years 1933–39* [1]

[Data from special report furnished by Department of Agriculture]

State	Farm-benefit payments received	Amount of Federal taxes and debt assumed for funds disbursed under the program	Excess of the amount received over the amount assumed in taxes and debt	Excess of the amount assumed in taxes and debt over the amount received
North Dakota	$117,349,000	$1,075,000	$116,274,000	
South Dakota	97,191,000	1,164,000	96,027,000	
New Mexico	16,226,000	1,284,000	14,942,000	
Wyoming	12,151,000	1,553,000	10,598,000	
Idaho	31,115,000	2,030,000	29,085,000	
Arizona	11,516,000	2,030,000	9,486,000	
Vermont	2,250,000	2,180,000	70,000	
Nevada	747,000	2,269,000		$1,522,000
Mississippi	104,012,000	2,986,000	101,026,000	
Montana	53,385,000	3,792,000	49,593,000	
Arkansas	96,810,000	3,702,000	93,108,000	
Utah	10,946,000	4,389,000	6,557,000	
New Hampshire	883,000	4,628,000		3,745,000
South Carolina	61,957,000	9,256,000	52,701,000	
Alabama	89,036,000	8,927,000	80,109,000	
Oregon	22,434,000	7,584,000	14,850,000	
Maine	4,284,000	7,703,000		3,419,000
Nebraska	135,810,000	10,390,000	125,420,000	
Kansas	186,872,000	14,720,000	172,152,000	
West Virginia	4,987,000	11,704,000		6,717,000
Iowa	242,504,000	15,526,000	226,978,000	
Delaware	2,358,000	36,157,000		33,799,000
Georgia	89,749,000	20,572,000	69,177,000	
Tennessee	58,584,000	17,407,000	41,177,000	
Washington	35,509,000	17,765,000	17,744,000	
Rhode Island	116,000	16,362,000		16,246,000
Louisiana	78,081,000	23,587,000	54,494,000	
Florida	11,348,000	22,512,000		11,164,000
Minnesota	101,408,000	41,203,000	60,205,000	
Colorado	43,695,000	17,765,000	25,930,000	
Oklahoma	127,929,000	36,844,000	91,085,000	

[1] Includes county association expenses (including committeemen), but not Federal administrative expenses. Figures supplied me by the Agricultural Department indicate county association expenses to be about 5.3 percent of the amounts disbursed.

TABLE 3.—*Farm-benefit payments for years 1933–39*—Continued

State	Farm-benefit payments received	Amount of Federal taxes and debt assumed for funds disbursed under the program	Excess of the amount received over the amount assumed in taxes and debt	Excess of the amount assumed in taxes and debt over the amount received
Connecticut	$4,054,000	$44,696,000		$40,642,000
Wisconsin	57,685,000	50,310,000	$7,375,000	
Maryland	9,210,000	55,236,000		46,026,000
Indiana	84,412,000	59,117,000	25,295,000	
Missouri	106,969,000	74,345,000	32,624,000	
Texas	362,259,000	71,299,000	290,960,000	
Kentucky	59,128,000	74,554,000		15,426,000
Massachusetts	2,998,000	99,723,000		96,725,000
New Jersey	3,421,000	115,846,000		112,425,000
Virginia	22,401,000	121,161,000		98,760,000
Michigan	38,243,000	153,467,000		115,224,000
Ohio	72,449,000	165,111,000		92,662,000
California	53,870,000	168,724,000		114,854,000
North Carolina	82,395,000	213,898,000		131,503,000
Illinois	146,654,000	260,057,000		113,403,000
Pennsylvania	16,629,000	247,487,000		230,858,000
New York	11,713,000	639,424,000		627,711,000
Total	2,985,732,000	2,983,521,000	1,915,042,000	1,912,831,000

TABLE 4.—*Farm benefit payments—percentage of farm benefit payments each State received of its farm land valuation*

State	Farm benefit payments 1933–39 [1]	Valuation of farm property (land and buildings) [2]	Percent of farm benefit payments of farm land value arranged in order of amounts
Mississippi	$104,011,881	$436,154,000	23.8
Arkansas	96,809,734	406,283,000	23.8
Louisiana	78,080,567	333,904,000	23.3
Alabama	89,035,641	411,305,000	21.6
South Carolina	61,956,620	329,580,000	18.7
Georgia	89,748,871	482,152,000	18.6
North Dakota	117,348,659	640,755,000	18.3
South Dakota	97,190,906	604,018,000	16.0
Oklahoma	127,928,716	851,924,000	15.0
Texas	362,258,620	2,721,676,000	13.3
Montana	53,384,782	404,804,000	13.1
Kansas	186,871,647	1,543,994,000	12.1
North Carolina	82,395,177	769,741,000	10.7
Missouri	106,969,473	1,091,598,000	9.7
Idaho	31,114,719	325,519,000	9.5
Tennessee	58,583,761	635,177,000	9.2
Nebraska	135,810,283	1,472,592,000	9.2
Colorado	43,695,090	475,459,000	9.0
Iowa	242,504,496	2,718,153,000	8.8
New Mexico	16,226,117	185,401,000	8.8
Arizona	11,516,416	136,821,000	8.4
Kentucky	59,128,198	761,084,000	7.7
Minnesota	101,408,063	1,425,938,000	7.0
Wyoming	12,150,894	177,702,000	6.7
Indiana	84,411,695	1,242,205,000	6.7
Utah	10,946,457	168,711,000	6.4
Washington	35,508,595	600,269,000	5.9
Illinois	146,653,665	2,598,435,000	5.6
Ohio	72,449,221	1,474,321,000	4.9
Oregon	22,434,159	495,732,000	4.5
Wisconsin	57,685,094	1,294,244,000	4.4
Michigan	38,243,049	918,012,000	4.1
Delaware	2,358,420	56,215,000	4.1
Florida	11,347,972	332,602,000	3.4
Maryland	9,209,577	268,191,000	3.4
Virginia	22,400,879	672,976,000	3.3
Maine	4,283,897	142,552,000	3.0
California	53,869,553	2,427,734,000	2.2
West Virginia	4,986,988	258,774,000	1.9
Vermont	2,249,738	114,933,000	1.7
Pennsylvania	16,629,186	925,476,000	1.7
Nevada	746,804	44,910,000	1.6
Connecticut	4,054,119	287,010,000	1.4
New Jersey	3,420,632	246,250,000	1.3
New Hampshire	882,814	68,819,000	1.2
Massachusetts	2,998,213	261,553,000	1.1
New York	11,713,103	1,071,627,000	1.0
Rhode Island	115,851	35,308,000	.3
Total, continental United States	2,985,730,000	35,335,773,000	

[1] Figures from Department of Agriculture, Feb. 17, 1940.
[2] Department of Commerce, June 10, 1939, Summary of Finances of State Governments, No. 20.

SUPPLEMENTAL REPORT ON H. R. 10098

Mr. LEA. Mr. Speaker, I ask unanimous consent to file a supplemental report on the bill H. R. 10098.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. LEA]?

There was no objection.

EXTENSION OF REMARKS

Mr. RICH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in reference to the subject No Third Term.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. RICH]?

There was no objection.

Mr. VOORHIS of California asked and was given permission to extend his own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts [Mrs. ROGERS]?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein decision of the Department of Justice regarding the deportation of certain aliens, so-called Czechoslovakians, who were employed, or supposed to be employed, as instructors in the Bata shoe plant at Belcamp, Md.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts [Mrs. ROGERS]?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, a year ago last July, I believe it was, I brought publicly to the attention of the country the permission to enter granted by the Department of Labor of some 100 so-called instructors from Czechoslovakia, which was then under German domination, to be employed by the Bata Shoe Co. at Belcamp, Md. Some 89 workers actually came into the country.

Mr. Speaker, in my opinion the Department of Labor should not have allowed those people to enter the country in the beginning. After it did allow them to enter the country these workers did not live up to their promise, and they should have been deported immediately. I took this matter up with the Department of Labor and received at first some cooperation. Later I received a good deal of cooperation.

Mr. Speaker, at no time in the history of our country has communism, nazi-ism, and various other "isms" hostile to our form of government, so flourished as during the past 8 years. I am bringing to the attention of the House again the very objectionable activities of the Bata Shoe Co., and I call the attention of the Members of the House to the speeches I made on January 13, 1940; March 13, 1940; March 19, 1940; and September 4, 1940.

[Here the gavel fell.]

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for an additional 2 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts [Mrs. ROGERS]?

There was no objection.

Mr. RICH. Will the gentlewoman from Massachusetts yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Pennsylvania.

Mr. RICH. I want to congratulate the gentlewoman from Massachusetts in trying to prohibit the importation of labor that replaces American labor. I was sorry to see in the paper news items that the gentlewoman from Massachusetts was being threatened because she is trying to prohibit people from coming here to take the jobs of American labor. I hope the gentlewoman will have the same support by the American people in trying to protect them as she gave in trying to protect American labor.

Mrs. ROGERS of Massachusetts. I am very sure I shall have their protection. The Department of Justice has made a public statement in reference to the activities at Belcamp, and I understand that further statements may be made, which, I believe, will result in more protection.

I want to remind the House again that a year ago last October an effort was made to bring in an additional 500 so-called instructors, not only in the shoe industry, but in various other industries, such as glass, and so forth. I feared

at that time that permission for entry would be given. Finally after some work I was promised that they would not be allowed to enter this country.

Mr. Speaker, as a part of my remarks I would like to include an article by Mr. Drew Pearson and Mr. Robert Allen appearing in the Times-Herald of Friday, September 27, and I should like also to include as a part of my remarks a statement released from the United Shoe Workers of America, C. I. O., regarding General Jackson's action and opinion.

Mr. Speaker, I should also like to give great credit to Mr. Leo Goodman, of the C. I. O.—he is, I believe, its research director in Washington—for his work in trying to prevent the un-American activities at Belcamp, Md., from continuing. Mr. Goodman has backed up with affidavits every one of his statements. He has made a great contribution in protecting not only the labor of the United States but the people of the United States from nazi-ism and the various isms that are hostile to our form of government.

The SPEAKER. Without objection, the request of the gentlewoman from Massachusetts [Mrs. ROGERS] will be granted.

There was no objection.

The matter referred to follows:

[From the Washington (D. C.) Times-Herald]

BATA SHOE PLANT TIE-UP WITH HITLER BARED BY UNITED STATES—DEPORTATION OF 59 MARYLAND WORKERS REVEALS RESULTS OF SECRET PROBE

(By Drew Pearson and Robert S. Allen)

Attorney General Robert Jackson had plenty of grounds for his announcement yesterday that 59 alien workers and executives of the Bata Shoe Co.'s branch at Belcamp, Md., would be deported.

Jackson could have given newsmen a much more sensational story had he divulged the contents of the confidential report on the Czechoslovakian concern compiled by United States immigration agents. This document charges flatly that the Bata firm has a direct tie-up with the Nazi Government.

PERSONA GRATA AT BERLIN

"There is no definite evidence that the company or its affiliates in the United States are, at the present time, engaged in subversive activities here," the report states, "but there is considerable evidence indicating that Jan A. Bata (president) and his officials are persona grata with the German Government.

"Further, there is every reason to believe that the Bata organization in this country is a part of the Nazi economic plan for trade expansion and that the Bata Co. and its affiliates serve as a source of foreign exchange for Germany."

Bata at first opposed the Nazis after they invaded Czechoslovakia and seized his main plant at Zlin, the report states, but apparently had a change of heart later. It relates of a conference between Bata and the American consul general at Prague in which the shoe tycoon stated that conciliatory gestures had been made to him by the Nazis.

NAZIS FORGAVE BATA

Representatives of the German ministry of economics approached him, Bata told the American diplomat, and agreed to "condone" his anti-Nazi utterances prior to March 15, 1939, if he would return to Zlin and continue operation of the plant there.

He was offered a written guaranty of personal safety, signed by Herman Goering, but returned voluntarily. Bata further told the consul that it would be "extremely difficult" to make shoes at Zlin for the American market because of the high countervailing tariff imposed by the United States on imports from Germany or nations under its control.

Later, two representatives of the Bata Co., Dr. Joseph Lewinsky and Miroslav Schubert, visited the American Chargé de'Affaires at Berlin and urged the former United States-Czecho trade agreement be revived. They indicated that the German Government was willing to approach the United States Government to negotiate such an agreement.

FOREIGN STATUS PROVED

Jan Bata claims that his Belcamp, Md., plant is an American concern and not connected with the Nazi-controlled Zlin plant. In evidence to the contrary, the immigration report reveals:

"A Bata agent in Guatemala, claiming to be a representative of an American corporation, applied to the American legation for assistance this year when the Central American republic refused permission for Bata to open a factory there in competition with local industry.

"The request was submitted to the State and Commerce Departments in Washington, where it was held that although Bata was incorporated under the laws of New York, the company was not an American concern, but a subsidiary of a Czech organization, and, therefore, a foreign firm."

MYSTERY IN FOREIGN CASH

In this same connection, the report states that in the last 18 months Jan Bata and his affiliates have received approximately $2,500,000 from mysterious foreign sources, chiefly in Norway, Sweden, Switzerland, and Holland.

"There is nothing to indicate," the report states, "that any of this money came from Germany; however, if any funds were remitted through German agents, they naturally would be sent through a bank of a neutral country."

The Bata Co. received $572,000 in bank credits from abroad from February to August, 1940, and in the same period of last year the Belcamp, Md., plant sent over $288,000 to Zlin, indicating a close financial tie-up with the Nazi-dominated parent factory.

Ever since the Belcamp plant was established 18 months ago it has had a consistent running battle with American labor unions. Concerning Bata labor practices, the report declares:

"In most countries where the organization has established or tried to establish factories or stores there has been strenuous objection from labor, industry, and trade associations because of the Bata policy of cheap labor, speed-up production methods, and cut-rate competition."

Both the Wage and Hour Division and the Children's Bureau of the Labor Department have records of prosecutions against the company. On May 7, 1940, the company pleaded guilty in the United States District Court at Baltimore to a violation of the Wage and Hour Act and was fined $8,000.

WORKER REGIMENTATION

At the same time the company was ordered to pay back wages, totaling $8,090, to employees for its failure to comply with the minimum-wage and overtime compensation sections of the act. The Children's Bureau also entered an injunction against the firm last June, restraining the employment of children after it was found that Bata was employing 69 youths under 18, 5 of whom were under 16.

The Maryland factory is almost an exact replica of the parent one in Zlin. A high wire fence surrounds the property. Workers lead a semimilitary existence, arising at the same time each morning, eating the same food, engaging in the same recreations, and buying their necessities from company stores.

"FOREIGN TOWN" CHARGED

The feudalistic motif is carried out in the real-estate plan of the community. Workers live in matchbox bungalows, built by Bata, overlooked by a bluff on the "lace curtain" side of the town, on which are located the domiciles of company executives. Bata's house, a three-story dwelling with a solarium, is at the crest of the bluff, overlooking everything.

"It is generally believed by persons in the area that the company intends to make Belcamp a 'foreign town,'" the report says, "that it intends to exploit American labor, keep the workers under subjugation by paying them small wages and requiring them to buy from company stores and invest their money in a company bank.

"Investigators found that Bata hires only persons under 25 years of age and has a speed-up system that borders on slave driving. They said the company charges workers $30 a month for a four-room house which could be rented for less in the vicinity."

[Press release from United Shoe Workers of America, of the C. I. O., Washington, D. C.]

Upon hearing of Attorney General Jackson's action in refusing to extend the permits of the Bata Shoe Co. employees and executives James J. Mitchell, general secretary-treasurer of the C. I. O. shoe union said: "The United Shoe Workers have continued to point out the danger that this company's policies have been and are to the American shoe industry for over a year and a half.

"We are glad that the Department of Justice after a thorough check has confirmed our contentions and taken steps which will prevent this company from throwing the American shoe industry into chaos as they have done in every country in which they have been established.

"Shoe manufacturers as well as shoe workers throughout the country can now feel more confident that the industry and labor standards which they have developed will not be suddenly wiped out by the chiseling low-wage competition of this firm.

"The United Shoe Workers for over a year have contended that this firm which operated for the benefit of the Nazi economy, aids the continuation of Hitler's war.

"We congratulate the Attorney General and hope that his action today will bring an end to the antisocial policy of this company throughout the Western Hemisphere."

DEPARTMENT OF JUSTICE,
September 26, 1940.

Attorney General Robert H. Jackson today announced that the Department of Justice has denied the requests of 47 alien workers and 12 alien officers of the Bata Shoe Co., of Belcamp, Md., for renewal of their visitors' permits for an additional 12 months. Upon expiration of their present permits, the Attorney General said, all 59 aliens must leave the United States within a reasonable period or be deported.

The Department's action was based upon the recommendations of Maj. L. B. Schofield, Special Assistant to the Attorney General in charge of the Immigration and Naturalization Service, following a thorough investigation of applications for renewal of visitor's permits submitted by the Bata workers and officers. This investigation disclosed that 78 workers admitted as "instructors" for the Bata Shoe Co. plant at Belcamp under a blanket permit, dated June 7, 1939, were for the most part not engaged in the work for which they were admitted; that in requesting such blanket permit the Bata Shoe Co. misrepresented the character of the work to be performed by the alien employees and the methods of manufacture at the Belcamp plant; and that their employment, rather than of a temporary nature as specified in the application for admission, was actually permanent.

The blanket permit, issued on June 7, 1939, authorized the admission of not more than 100 aliens to train American workers in

the production methods of the Bata Shoe Co. In applying for this permit, the company represented the work to be done as of so unique a character that American workers could not act as instructors but must first themselves be instructed by aliens. The investigation disclosed, however, that with one possible exception, the manufacturing methods of the company were not unique and required little or no special training of the employees. It was further ascertained that the work done by a majority of the alien instructors was actually competitive in character and that there was nothing in the production methods of the company that made it impossible or impracticable for American workers to perform the work after a very short period of instruction.

For this reason, it was found that 8 of the 47 alien workers, who were actually engaged in instructing American workers at the time of the investigation, should have completed their instruction within the 12-month period of the permit and should leave the country at the expiration of that period or be deported. It was also found that the remaining 39 workers and 12 officers of the Bata company and affiliates were not bona fide visitors under terms of their permits and should also leave the country at expiration of the permit period or be deported.

The remaining 31 alien workers admitted under the June 7, 1939, blanket permit have not yet applied for extensions. Some have already left the United States; others are now preparing to leave or are subject to deportation. The permits of others have not expired.

All the aliens involved are natives of Czechoslovakia, with departures guaranteed by a bond for $10,000 furnished by the company.

BACKGROUND

On May 5, 1939, the Bata Shoe Co. applied for permission to import 100 Czechoslovakian citizens to act as instructors at a shoe-manufacturing plant to be erected at Belcamp, Md. Permission was sought under section 3 of the 1917 Immigration Act, which excludes contract labor but provides that skilled labor, if otherwise admissible, may be imported if similar workers cannot be obtained in this country.

The company alleged that the alien workers were necessary because of the unique features of the "Bata method" of shoe manufacture. This was held to involve use of the "conveyor" system, as opposed to the "rack" method of American factories, requiring substantially different training of workers; and use of Bata machinery, which, made abroad, could not be operated by American workers without instruction by trained Bata experts.

On June 7, 1939, the Commissioner of Immigration and Naturalization issued a formal order permitting blanket importation of not more than 100 such instructors.

This was followed by protests from a large number of labor organizations, particularly the United Shoe Workers of America, a C. I. O. affiliate, charging that (1) the permit had been obtained by misrepresentation of the "Bata method," and (2) the imported instructors were actually to be engaged in production work as craftsmen or foremen.

As a result of these protests, two investigations were made by the Immigration and Naturalization Service—on September 18, 1939, and on November 27, 1939. The first of these was inconclusive because only one small production unit of the Belcamp plant was then in operation.

However, the second and more extensive investigation, including interviews with most of the imported Czech instructors, resulted in these findings:

1. In addition to manufacturing ordinary shoes—the only operation specified in the Bata application—the company was also making a combination shoe with leather uppers and rubber soles, rubbers, rubber boots, and house slippers.

2. In all these operations, with a single exception, there was no essential difference between methods of the Bata Co. and those of American shoe factories, so far as the workmen themselves were concerned.

3. The "conveyor system," much emphasized by Bata in its application, was found to differ from ordinary American "rack method" of plant operation only in the manner of feeding material to the workmen. It in no way affected the actual labor performed in making shoes.

4. With the exception of a "pulling over" machine, there was no machinery in the Bata plant which skilled American shoe craftsmen could not immediately operate or could not teach others to operate. The "pulling over" machine was, in fact, mastered by American workers within a few days.

5. Only in the manufacture of the combination leather uppers-rubber soled shoes was there any unique operation. A vulcanizing system used in making these shoes might, it was found, require outside instruction before American workers could operate it, and this instruction could not be obtained from skilled American workers.

6. Of the 78 aliens imported under the blanket permit of June 7, 1939, not all were actually engaged in instructing the 700 American workers in this Bata method, and those so engaged did not spend all their time at instructing but also operated machinery or served as craftsmen, supervisors, inspectors, or foremen.

7. Some of the 78 imported instructors were actually engaged entirely in office or administrative work.

8. Officers of the Bata Co. or its affiliates who were admitted as temporary visitors under individual permits were employed on a permanent basis.

As a result of these findings, the investigators recommended that the company be permitted to retain 10 instructors for the vulcanizing process and for work on certain machinery, and that in all other respects the blanket permit of June 7, 1939, be revoked. They also recommended that 10 of 14 Bata executives admitted on individual permits be granted extensions until June 30, 1940.

These recommendations were embodied in an order by the Commissioner dated December 26, 1939, though effective date of the order was postponed until February 1, 1940, at the request of the company.

Briefs were then filed by the company and by the United Shoe Workers of America. The company admitted that 40 of the 78 alien instructors were actually engaged in management work, but contended this was vitally necessary. The Commissioner in consequence reclassified 15 of this group of 40 as administrative workers and on January 26, 1940, granted permission for a total of 25 of the 78 aliens to remain in Bata employ until the expiration of the permit. All others were notified on February 1, 1940, that if their employment were not immediately terminated deportation proceedings would be instituted.

The company thereupon brought suit in the United States District Court for the District of Columbia to restrain the revocation order on the ground it was arbitrary and illegal, and would cause irreparable injury to an investment of $1,800,000 in the Bata plant. Each of the aliens affected also claimed that loss of his job would result in irreparable injury.

On June 11, 1940, Judge Morris, of the district court, handed down an opinion upholding the Government's motion to dismiss the suit. The court held that the plaintiffs had adequate remedies at law either in deportation proceedings or in defense of criminal prosecutions.

In his decision announced today the Attorney General denied the requests of 47 alien instructors and 12 company executives for extension of their vistors' permits and ordered that they leave the country within a reasonable period or be deported.

The following are the alien instructors whose jobs were reclassified by the Commissioner on January 26, 1940, allowing them to remain in Bata employ until expiration of their visitors' permits on the dates shown below:

Alois Pikula, September 9; Joseph Hejmanck, August 17; Joseph Vachek, August 17; Ludvik Cerbec, August 11; John Dolezal, August 10; Joseph Hybner, August 10; Oldrich Klatil, August 10; Joseph Kolarik, August 10; Karl Novotny, August 10; Karel Ordau, August 10; Frank Smedek, August 10; Joseph Komarek, August 4; Alois Lata, July 6, 1940.

The following are the alien workers permitted, under the reclassification order of January 26, 1940, to continue as instructors in the vulcanizing process until expiration of their permits on the dates given below:

Hynek Zacek, September 9; Ladislav Zajic, September 9; Bozena Volcikova, August 28; Joseph Zboril, August 17; Joseph Fejfar, August 10; Frank Kovar, August 10; Stephanie Ondrova, August 10; Bozana Smigurova, August 10, 1940.

The following are the alien workers whose visitors' permits were revoked by the order of January 26, 1939, and who must leave the country within a reasonable time or be deported, regardless of the date of expiration of their original visitors' permits: Frank Polasek, Ladislav Vagner, Joseph Sevcik, Jerome Svec, Charles Dancak, Joseph Varek, Vladimir Javora, Francis Krizova, Vlasta Pavelkova, Bohumil Soupal, Julie Palarcikova, Francis Indrychova, Peter Biela, Charles Stastny, Jerome Svetlik, Hermina Husakova, Jerome Stefanik, Jerome Jurca, Antonin Javora, Karel Hlobil, Joseph Polasek, Frank Koncak, Lillian Svehlakova, Jerome Vasicek, Aneska Kocianova, and Anna Siskova.

The following are the executives of the Bata Shoe Co. or affiliates whose individual visitors' permits expired on June 30, 1940, and who must leave the country within a reasonable period or be deported: Gustav Blodig, Solomon Landesmann, Josef Polasek, Frantisek Ricica, Zikmund Skyba, Frantisek Smid, Karel Bara, Anton Ulehla, Robert Podzemny, Josef Cernovsky, Stepan Blaho, and Karel Aster.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts [Mrs. ROGERS]?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I hope that constant reference will be made to the un-American activities of the Belcamp, Md., shop and any other shop in the United States that engages in such un-American activities, which are not only detrimental to the workers but to the very life of our country.

The United States, in my opinion, is in grave peril from subversive movements of that sort, and every human being in the country should work to the end that if there are aliens within our gates engaging in un-American activities they should be immediately deported. If, by chance, some of these people happen to be American citizens, something very drastic should be done to them. I am sure the House will join me in pushing this to its utmost conclusion. [Applause.]

EXTENSION OF CLASSIFIED EXECUTIVE CIVIL SERVICE OF THE UNITED STATES

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 960, extending the classified executive civil service of the United States, with

Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. RAMSPECK]?

Mr. MICHENER. Mr. Speaker, reserving the right to object, is that the bill that has caused so much discussion in the Senate?

Mr. RAMSPECK. It was under discussion for several days in the Senate and passed the Senate last Thursday.

Mr. MICHENER. I am familiar with the bill as it was when it was in the House. Have the Senate amendments done anything to remove any of the partisan part of the bill as it left the House? Have they attempted to make it more as a genuine civil-service bill should be?

Mr. RAMSPECK. My answer to the gentleman about that is that in my judgment it had no partisan matter in it when it left the House, and has none now.

Mr. MICHENER. I admire this about the gentleman: He is one of the outstanding and dependable Members of the House, and has always been frank about his civil-service bills. He has always admitted on the floor that the party in power would take advantage in enacting civil-service laws for its own benefit. I have seen the gentleman stand here, and heard him say that a bill did that, and he did not attempt to deny it. I believe that is true of this bill. It does seem to me, though, that where we are covering in 200,000 people or affecting 200,000 people who have been appointed within the last 7 years on political recommendations, there should be a competitive examination in order that all the eligible people in the country should be able to share in these jobs, regardless of their religion, their politics, or their hope for the future. These employees are paid out of taxpayers' money, and should be selected through genuine civil service. Covering these politically appointed employees into life jobs, without competitive examination, is not civil service.

Mr. RICH. Reserving the right to object, Mr. Speaker, we had Government employees to the number of about 560,000 in March 1933. On June 30 of this year we had over 1,066,000, and they have probably added 100,000 since then. No doubt we will have 1,300,000 by the end of the year. How long does the gentleman believe we can keep adding to the Government pay-roll employees by the hundred thousand and continue to keep this country from going into bankruptcy?

Mr. RAMSPECK. I am sure the gentleman from Pennsylvania knows as much about that as I do.

Mr. RICH. I know the country cannot go very long that way. Does not the gentleman believe we ought to try to stop it? We ought to put something in these civil-service bills prohibiting the Congress from establishing any more bureaus, and try to eliminate some of the Government employees. There will not be anyone back home shortly to do any work. They will all be down here in Washington.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. RAMSPECK, Mr. RANDOLPH, Mr. FRIES, Mrs. ROGERS of Massachusetts, and Mr. REES of Kansas.

ADJOURNMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 2 minutes p. m.), under its previous order, the House adjourned until tomorrow, Tuesday, October 1, 1940, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of the rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1975. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill to authorize a preliminary examination and survey of certain rivers and their tributaries on the islands of St. Croix and St. Thomas, V. I., for flood control, for run-off and water-flow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

1976. A letter from the Acting Secretary of the Navy, transmitting a report of the contracts awarded under the authority of the act of March 5, 1940 (Public, No. 426, 76th Cong., 3d sess.); to the Committee on Military Affairs.

1977. A letter from the Acting Comptroller General of the United States, transmitting a report and recommendation concerning the claim of Edgar H. Ingham, guardian of Margaret Marie Ingham, against the United States; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. PATRICK: Committee on Interstate and Foreign Commerce. House Report No. 2878 (Pt. II). Supplemental report to accompany H. R. 10098. Referred to the Committee of the Whole House on the state of the Union.

Mr. LEWIS of Colorado: Committee on Rules. House Resolution 617. Resolution for the consideration of S. 3936, an act to extend the provisions of the act of May 22, 1934, known as the National Stolen Property Act; without amendment (Rept. No. 2991). Referred to the House Calendar.

Mr. YOUNGDAHL: Committee on Interstate and Foreign Commerce. H. R. 10518. A bill granting the consent of Congress to the department of highways and the county of Big Stone, State of Minnesota, to construct, maintain, and operate a free highway bridge across the Whetstone Diversion Channel at or near Ortonville, Minn.; without amendment (Rept. No. 2992). Referred to the House Calendar.

Mr. SCHAFER of Wisconsin: Committee on Indian Affairs. S. 3524. An act conferring jurisdiction on the Court of Claims to hear and determine the claims of the Choctaw Indians of the State of Mississippi; without amendment (Rept. No. 2996). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 10278. A bill to authorize the discontinuance of professional examinations for promotion in the Regular Army of officers of the Medical, Dental, and Veterinary Corps during time of war or emergency declared by Congress; without amendment (Rept. No. 2997). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 10338. A bill to promote and strengthen the national defense by suspending enforcement of certain civil liabilities of persons serving in the Military and Naval Establishments, including the Coast Guard; without amendment (Rept. No. 3001). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee of conference on the disagreeing votes of the two Houses. H. R. 10413. A bill for taxation for national defense (Rept. No. 3002). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 5047. A bill for the relief of Charles R. Woods; with amendment (Rept. No. 2993). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 8679. A bill for the relief of the estate of Frank H. Lusse, deceased, of Frankfort, Ky.; with amendment (Rept. No. 2994). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 10285. A bill for the relief of Charles S. Ladinsky and Moe Kanner; with amendment (Rept. No. 2995). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee of conference on the disagreeing votes of the two Houses. S. 1160. An act for the relief of Roland Hanson, a minor, and Dr. E. A. Julien (Rept. No. 2998). Referred to the Committee of the Whole House on the state of the Union.

Mr. KENNEDY of Maryland: Committee of conference on the disagreeing votes of the two Houses. H. R. 3481. A bill for the relief of C. Z. Bush and D. W. Kennedy (Rept. No.

2999). Referred to the Committee of the Whole House on the state of the Union.

Mr. KENNEDY of Maryland: Committee of conference on the disagreeing votes of the two Houses. H. R. 4126. A bill for the relief of Warren Zimmerman (Rept. No. 3000). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HILL:

H. R. 10584. A bill for the development and conservation of the resources of the Pacific Northwest through the wide distribution of electric energy generated by certain Federal projects, for the improvement of navigation and the promotion of the national defense, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. MICHAEL J. KENNEDY:

H. R. 10585. A bill to amend the Selective Training and Service Act of 1940 with respect to the pay of persons who immediately prior to induction into the land or naval forces were receiving compensation from the United States, its Territories or possessions, or the District of Columbia; to the Committee on Military Affairs.

By Mr. LEAVY:

H. R. 10586. A bill for the development and conservation of the resources of the Pacific Northwest through the wide distribution of electric energy generated by certain Federal projects, for the improvement of navigation and the promotion of the national defense, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. McCORMACK:

H. R. 10587 (by request). A bill to amend the Selective Training and Service Act of 1940; to the Committee on Military Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to consider their Assembly Joint Resolution No. 1, dated September 22, 1940, with reference to legislation for the control of predators; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHURCH:

H. R. 10588. A bill authorizing the naturalization of Joseph Mead, of Lake Forest, Ill.; to the Committee on Immigration and Naturalization.

By Mr. FITZPATRICK:

H. R. 10589. A bill for the relief of Dr. Albert Sondheimer, Margaret Sondheimer, Anna Rebecca and Eva Gabriele Sondheimer, Selma Sondheimer, and Augusta Sondheimer; to the Committee on Immigration and Naturalization.

By Mr. McANDREWS:

H. R. 10590. A bill authorizing the naturalization of Frank Thomas Fleura; to the Committee on Immigration and Naturalization.

By Mr. THOMASON:

H. R. 10591. A bill for the relief of Franklin G. Galpin; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9326. By Mr. CHIPERFIELD: Petition of approximately 500 citizens of Henry County, Ill., urging that no war materials be shipped to Japan; to the Committee on Foreign Affairs.

9327. By Mr. MARTIN J. KENNEDY: Petition of the International Photoengravers' Union of North America, in forty-first annual convention, urging appropriation of adequate funds to carry out investigation and enforcement of the Fair Labor Standards Act, the wage and hour law; to the Committee on Labor.

9328. By Mr. THOMASON: Petition of the citizens of Ward County, Tex., sponsored by the Rex Baird Post, No. 473, recommending a national policy that will provide for the quick and speedy tooling of industry and for the immediate coordination of the industrial resources for the production of war materials, approving selective draft of men and industry and capital in order to build adequate Army, Navy, and air forces, urging Congress pass such laws as are deemed necessary to properly combat the "fifth column" and curb the actions of any subversive moves or suggestions among actors of the screen as well as all other means and actions; to the Committee on Military Affairs.

9329. By Mr. VOORHIS of California: Petition of William T. Kerr, of Glendale, Calif., and 13 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

9330. Also, petition of Christine Hufford, of Whitmore, Calif., and 17 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

9331. Also, petition of Karl Liepold, of Atchison, Kans., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

9332. Also, petition of W. M. Gamble, of Chicago, Ill., and 20 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

9333. Also, petition of F. A. Billhimer, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

9334. Also, petition of J. K. Calkins, of Tujunga., Calif., and 23 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

9335. Also, petition of George H. Wernex, of Los Angeles, Calif., and 22 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

9336. Also, petition of John P. Shefke, of Chicago, Ill., and 20 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

9337. By the SPEAKER: Petition of the Western Association of State Game and Fish Commissioners, at its twentieth annual conference, Seattle, Wash., urging consideration of their resolution with reference to the Western Federation of Wildlife Interests; to the Committee on Merchant Marine and Fisheries.